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**Operational Review and Recommendations**  
For the Shennecossett Golf Course  
In  
**Groton, Connecticut**



**Prepared For:**

**The Town of Groton, Connecticut**

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# Table Of Contents

<b>INTRODUCTION.....</b>	<b>1</b>
<b>EXECUTIVE SUMMARY .....</b>	<b>2</b>
<b>Groton Area Market Environment.....</b>	<b>3</b>
Golf Market Environment .....	3
Golf Facility Operations in Groton.....	3
<b>Shennecossett Golf Course Facility Review .....</b>	<b>4</b>
Operations.....	4
Physical.....	4
<b>Community Involvement.....</b>	<b>5</b>
<b>Financial Overview.....</b>	<b>5</b>
<b>Summary and Recommendations.....</b>	<b>5</b>
<b>MARKET AREA OVERVIEW .....</b>	<b>9</b>
<b>Demographic Overview .....</b>	<b>9</b>
Snapshot .....	9
Demographics Summary.....	10
<b>Economic Overview .....</b>	<b>10</b>
Connecticut Aggregate Economy .....	10
New London County Economic Overview.....	13
Climate .....	16
<b>Market Area Overview Summary.....</b>	<b>18</b>
<b>GOLF MARKET OVERVIEW.....</b>	<b>19</b>
<b>National Trends.....</b>	<b>19</b>
<b>Estimated Groton Area Resident Golf Demand 2003-2008 .....</b>	<b>20</b>
<b>Groton Area Basic Supply indicators .....</b>	<b>21</b>
Household/Supply Ratios.....	21
<b>Golf Market Summary .....</b>	<b>22</b>
Opportunity Chart.....	23
<b>COMPETITIVE REVIEW.....</b>	<b>24</b>
<b>Public Golf Market.....</b>	<b>24</b>
Groton Area Public Golf Course Map .....	25
Groton Area Public Golf Course Comparison Chart.....	26
Norwich Golf Course .....	27
New Golf Courses .....	27

# DRAFT

<b>Competitive Golf Facilities Summary .....</b>	<b>28</b>
<b>TOWN OF GROTON MUNICIPAL GOLF - OVERALL OPERATIONS REVIEW .....</b>	<b>29</b>
<b>Administrative Overview .....</b>	<b>29</b>
Staffing .....	29
Cash Control Procedures .....	31
Policies and Procedures .....	32
Point-of-Sales System .....	33
Management Issues and Alternatives .....	33
Administrative and Management Recommendations .....	34
<b>Operations Review .....</b>	<b>35</b>
Fees .....	35
Tee Time Reservations .....	36
Tournaments and Outings .....	37
<b>Marketing and Player Enhancement Recommendations .....</b>	<b>38</b>
Tourists .....	39
Brochure .....	39
Hotels and Motels .....	40
Website .....	40
Player Development Programs .....	40
Other Marketing .....	41
<b>Food and Beverage Services .....</b>	<b>41</b>
<b>Shennecossett Golf Course Data Analysis .....</b>	<b>42</b>
Activity Levels .....	42
Facility Performance and Ratio Analysis .....	43
Revenue and Expense Analysis for the Past Five Fiscal Years .....	51
Personnel Costs .....	56
Capital Improvement Expenditures .....	59
<b>Overall Operations Summary Findings and Recommendations .....</b>	<b>60</b>
Summary Data Chart – Shennecossett Golf Course 2000-2004 .....	62
<b>SHENNECOSSETT PHYSICAL REVIEW .....</b>	<b>63</b>
<b>Labor .....</b>	<b>63</b>
<b>Equipment .....</b>	<b>64</b>
<b>Fairways and Roughs .....</b>	<b>64</b>
<b>Greens .....</b>	<b>65</b>
<b>Greens Maintenance Philosophy and Programs .....</b>	<b>67</b>
Irrigation/Syringing .....	67
Whipping/Dew Removal .....	68
Mowing .....	68
Rolling .....	68
Aeration .....	69
Topdressing .....	69
Overseeding .....	69

# DRAFT

Maintenance Facility .....	70
<b>Cart Paths .....</b>	<b>70</b>
<b>Tees .....</b>	<b>70</b>
<b>Bunkers .....</b>	<b>71</b>
<b>Winter Play .....</b>	<b>71</b>
<b>Clubhouse Improvements/Replacement .....</b>	<b>72</b>
<b>Budget .....</b>	<b>74</b>
<b>SHENNECOSSETT GOLF COURSE CUSTOMER SATISFACTION .....</b>	<b>75</b>
<b>Overview .....</b>	<b>75</b>
<b>Shennecossett Golf Course Customer Satisfaction .....</b>	<b>75</b>
Five Factors Most Important to Shennecossett Golfers:.....	76
The Competition .....	76
Share of Wallet.....	77
Satisfaction at Shennecossett Golf Course .....	77
<b>Summary .....</b>	<b>77</b>
<b>PROJECTED FINANCIAL PERFORMANCE .....</b>	<b>78</b>
Financial Assumptions .....	78
Summary of Revenue and Expenses .....	80
<b>Utilization of Financial Projections .....</b>	<b>80</b>
<b>SUMMARY STATEMENT .....</b>	<b>81</b>
<b>APPENDIX.....</b>	<b>82</b>
<b>Appendix A – Demographic Overview Data .....</b>	<b>82</b>
Additional Demographics .....	82
<b>Appendix B – Golf Demand Overview Data.....</b>	<b>84</b>
NGF Golf Demand Indices.....	84
NGF Golf Demand Mapping .....	85
Groton Area Visitor Golf Demand .....	89
<b>Appendix C – Basic Golf Facility Supply Data .....</b>	<b>90</b>
<b>Appendix D - Management Alternatives .....</b>	<b>91</b>
Reasons for Public/Private Joint Ventures.....	91
Management Options.....	92
Management Comparisons .....	97
<b>Appendix E – CLASP Data Supplement and Sample Survey .....</b>	<b>99</b>
Executive Summary .....	99

## DRAFT

Satisfaction at your Facility .....	100
NGF Loyalty Index .....	101
Competitive Analysis.....	101
Satisfaction Ratings vs. Competition .....	102
Share of Wallet.....	103
Characteristics of surveyed golfers.....	107
Survey .....	111
<b>Appendix F – Financial Proforma .....</b>	<b>112</b>

## Introduction

NGF Consulting, a subsidiary of the National Golf Foundation, was retained by the Town of Groton to assist in evaluating the operations and management of the Town's Shennecossett Golf Course for the purpose of maximizing the economic potential of this golf facility. Shennecossett is a historic golf facility that is very important in the overall defining character of the Town of Groton, and the facility has been experiencing a decline in its economic performance. The Town is concerned that a continued shortfall in revenue may lead to deterioration of the Shennecossett facility and/or changes in the way the golf course is operated for the public. The results of this operations and management review will be used to assist Town officials in determining the appropriate course for the future of this facility with regards to management, operations and capital improvements.

Under consideration for this report are the present management structure, operating condition, and market placement of the Shennecossett Golf Course, the potential to reduce expenses at the facility, and the potential to grow activity and revenues at the golf course. The key areas examined by NGF Consulting include:

- Review of existing management structure
- Review of present and future market environment
- Shennecossett customer analysis
- Shennecossett physical evaluation
- Shennecossett operations review
- Economic impact analysis

Activities conducted in completion of this consultants' report included field research, statistical analysis, a series of meetings with key Town of Groton officials (including parks and recreation, Town management and Town finance), several meetings with golf operations personnel, a series of tours of the Shennecossett Golf Courses, organization of on-line and paper survey / research instruments, as well as interviews with frequent Shennecossett golfers. Further, NGF staff consultants worked to collect materials to aid in understanding of the southeast Connecticut/Groton area golf market and visited several of the area's competing public golf facility operations. The key consultants contributing to this study effort include Richard B. Singer, Director of Consulting Services at National Golf Foundation (NGF) and Angelo Palermo, Senior Associate Consultant at National Golf Foundation (NGF) and Billy Buchanan, Associate Agronomist.

NGF Consulting would like to thank the staffs of the Town of Groton and Shennecossett Golf Course for their cooperation in providing timely and comprehensive data and other information. Following is the consultants' report on the Town of Groton municipal golf operation and our recommendations for its future operation.

## Executive Summary

*The following is a summary of the significant findings and recommendations made by National Golf Foundation Consulting, Inc. (NGF Consulting). The supporting text and tables are found in the body of the attached report and appendices.*

NGF Consulting has reviewed in detail the management and operation of the Town of Groton's Shennecossett Municipal Golf Course. This evaluation was conducted over several weeks and included consultant's visits to the facility, interviews with staff, analysis of historical financial and activity data, reviewing operational documents and contracts, collecting market information and conducting a golfer survey. As a result of this research, the NGF Consulting team has identified a good-quality municipal golf course that is presently struggling to meet its fiscal objectives due to declining revenues and increasing costs. The Town of Groton golf offering is an important part of the Town's park and recreation program and is the only Town-provided recreational amenity that has traditionally earned enough revenue to sustain basic operations. In the future, the Town may find that while Shennecossett is capable of meeting its basic operational obligations, the facility may lack the economic capacity to finance large-scale capital improvement projects and therefore may have to be supplemented by the Town's general fund for these investments.

In recent years, there has been a clear reduction in the level of revenue earned by the Shennecossett golf operation. Among the reasons for this reduction in revenue cited by NGF Consulting in this report include some causes beyond the control of the Town of Groton such as poor weather conditions limiting the number of playable days and stagnant golf participation both locally and nationwide. NGF Consulting has also noted some causes that are within the control of the Town of Groton such as poor playing conditions at the golf course (although this improved during the NGF review period), a general lack of entrepreneurial initiative in facility marketing, and an inflexible pricing and membership structure. On the expense side, NGF Consulting has found a lean operation with expenses heavily weighted towards labor and recent cuts leaving many necessary activities incomplete. It is clear to the consultants that non-labor operating expenses at Shennecossett cannot be reduced any further without risking serious consequences to the playing condition of the golf facility.

In preparing this report for the Town of Groton, NGF Consulting has tried to identify specific revenue enhancement and cost reduction recommendations that if implemented, will help to bring the Town's golf operation back to a level of profitability while still staying true to the operation's mission – providing affordable golf to area residents, many of whom cannot afford to join private country clubs.

The following NGF Consulting report includes details of specific recommendations for improving the Town of Groton municipal golf operation. NGF recommendations center on the idea that no major restructuring of the Town of Groton golf operation is necessary, but the Town should try to re-arrange its labor structure to create a single on-site golf director that answers directly to the Town Manager and is efficient in marketing and operating Shennecossett. While full or partial privatization of the golf course was considered, NGF Consulting sees this strategy as involving too much loss of control over the asset without enough return. Rather, NGF Consulting has recommended a more streamlined Town operation that may have to involve the Town's general fund being used to pay for larger capital improvement projects while the golf revenues are used to pay for basic day-to-day maintenance and operations. This structure is common in municipal golf operations throughout the U.S. NGF Consulting envisions an improved and revitalized Shennecossett golf operation that is more aggressive in its efforts to attract players to the course and more efficient in its maintenance and operation.



## GROTON AREA MARKET ENVIRONMENT

The demographic data for the local Shennecossett trade area indicates an increasingly affluent population with a growing economic base supported on two fronts — the service industry, bolstered by the continued success and expansion of the local casinos, and the manufacturing sector, which is strengthened by the expansion of the pharmaceutical company presence, led by Pfizer. Both fronts offer considerable opportunity for the subject Shennecossett Golf Course to expand its market base and increase rounds activity in the tourist and corporate segments. Also, the local Groton area climate and mild winter provides a potential advantage for the Shennecossett golf operation, as the facility can be one of the only golf courses open for play during much of the winter season when other more inland golf courses are closed.

### Golf Market Environment

On a national level, golf participation in the U.S. has grown from 3.5% of the population in the early 1960's to about 12.6% of the population today, with an estimated 36 million golfers residing in the U.S. This figure of 36 million total participants is just about that same as the 35 million estimated in 1990, indicating very little growth in golf participation and activity in the last decade. As rapidly as the demand for golf has grown, the supply has grown even faster, with an average increase of about 2.1% per year. With the increase in supply, we are seeing a marked increase in competition. In some markets, the supply appears to be greater than the demand.

The result of this mix is a general decline in per facility golf activity across the nation, including the southeast Connecticut area. In addition to increased competition, three other factors have contributed to a decline in the number of rounds per course during the 2002 and 2003. These include: 1) a worsening economy 2) the aftereffects of 9-11, which have greatly reduced the traveling golfer market and 3) abnormally poor weather conditions in much of the U.S., especially in Connecticut.

### Golf Facility Operations in Groton

NGF Consulting statistical data analysis indicates that while residents of the Groton area are as likely to be golfers as the total U.S. population, the golfers in this market tend to play fewer rounds of golf each year. In addition to a large permanent resident population in the southeast Connecticut area, there is a substantial visitor market from which to draw additional play. Area tourists have the potential to add more than 250,000+ rounds of golf to the local demand each year.

The immediate Groton area has currently has 12 public golf facilities that are competitive, to varying degrees, with the Shennecossett Golf Course. The private clubs in the area are not considered directly competitive with Shennecossett, as the private club amenity offering is not comparable to municipal golf courses in this market. The public access facilities comprise a total of 198 golf holes and supplied an estimated 391,000 public golf rounds during 2003. The broader 30-mile southeast Connecticut market has seen nine new public golf courses added in since 1994, a 28 percent increase in facilities in southeast Connecticut compared to 19 percent for the total U.S. Although the broader area market has seen an influx of new golf facilities, only two of the 12 local Groton golf courses (including Shennecossett) have opened in recent years. NGF Consulting is aware of two other new public golf course projects under development in southeast Connecticut that could be considered competitive to Shennecossett and could impact play levels in years to come. In 2003, NGF Consulting has observed a decline in average rounds played to about 39,000±, an 11 percent decline. The Shennecossett Golf Course

## DRAFT

performance was worse than these averages dropping from 42,000 rounds in 1999-2000 to about 34,000 rounds in 2003 (a 19.6% decline).

### **SHENNECOSSETT GOLF COURSE FACILITY REVIEW**

As part of our golf facility operations review for the Town of Groton, NGF Consulting has provided a detailed analysis of both the operational policies and the physical condition of the Shennecossett Golf Course. The following summarizes our findings in these two key areas:

#### **Operations**

There are very basic inefficiencies present in the Shennecossett golf operation, particularly as it relates to the higher-than-normal cost of labor at the facility, especially in the maintenance operation. It seems that the union contract in place at Shennecossett is instilling restrictive limits on golf course maintenance that is having a direct effect on quality of the golf course. While NGF Consulting has found that the total maintenance budget is in line with national and regional averages for municipal golf courses, the distribution between labor and operating expenses is weighted too heavily toward labor. The result is a small staff size with restrictive limits on the golf course superintendent's activities that are very uncommon at other municipal golf facilities. Particularly, NGF Consulting is concerned about the golf course superintendent not being allowed to use maintenance equipment, the hours worked by maintenance staff, the lack of replacement for an injured worker, and the facility's inability to take advantage of volunteer labor.

The Shennecossett golf operation is also suffering from a basic lack of "entrepreneurial initiative" in the facility's marketing and promotion. The most senior management of the golf operation is in the Parks and Recreation Department of the Town's government and not directly part of the golf operation. Further, there is no single on-site manager at the facility, resulting in the golf professional's duties not being focused enough on the marketing and customer retention. The Town of Groton is in the golf business with its facility at Shennecossett. Among the recommendations made in this study by NGF Consulting, many involve the Town taking a more enterprising posture in the management of the facility and functioning more as a business and less like government.

#### **Physical**

The Shennecossett Golf Course offers an outstanding golf layout with a famous-name designer and many very memorable holes. However, due in part to many factors identified in this study effort, the condition of the Shennecossett Golf Course in June 2004 is not of the highest quality as it could be, although NGF Consulting did note improvement by September 2004. NGF Consulting has identified problems with the Shennecossett Golf Course playing area that are predominantly a result of inadequate maintenance due to budget cuts and a general shortage of labor and materials. The greens are the most important asset the facility can have, and are a crucial factor in customer decisions and perceptions about a golf course. Therefore, preservation of the greens and their maintenance becomes the most important operational imperative of any golf facility and Shennecossett is no different. However, the labor and materials situation at Shennecossett is such that when preservation of the greens is given priority, other areas of the operation are left to suffer.

The clubhouse at Shennecossett is an important part of the overall Shennecossett operation and should be improved over time to create a more appealing and efficient facility. However, the

## DRAFT

condition of the golf course playing area, particularly with greens and cart paths, should be a priority in any improvements made to the facility at this time. Other than basic cosmetic changes and improvement to the building's insulation, other changes to the clubhouse should be secondary to improvements in the maintenance of the golf course playing area.

### COMMUNITY INVOLVEMENT

NGF Consulting made a concerted effort to communicate with the local community about the Town of Groton municipal golf operation. NGF Consulting notes that the 169 golfers surveyed thus far are generally pleased with the value they receive, but are concerned about the physical condition of the golf course, particularly the greens. As the condition of the greens tends to be one of the most important factors in establishing customer satisfaction at a golf course, special attention to correcting this deficiency must be made.

### FINANCIAL OVERVIEW

NGF Consulting has prepared a financial pro-forma to estimate the results of implementation of our recommended operational and marketing changes. These projections generally involve the continuation of the existing fee and policy structures with only minor modifications. One significant change is the adoption of an annual fee increase policy that essentially takes government politics out of the process for establishing fees at Shennecossett and replaces it with a schedule of automatic fee increases on an annual basis. Labor cost reductions are also considered as a result of union re-negotiation or change in maintenance structure.

In all, the NGF Consulting recommendations are designed to make the Shennecossett golf operation more efficient and economically self-sustaining. The majority of the recommendations contained in this report do not involve capital expense outlays, but rather a restructuring of the annual expense budget for the golf facility. This is most important in the area of golf maintenance, where the high labor budget and overly burdensome union restrictions have directly impacted the quality of the golf course product the Town is offering the public. A system more akin to a private sector golf operation may be the solution to alleviate some of the inefficiencies in this area, without altering the overall budget allotment for golf course maintenance.

NGF Consulting projections for the future of Shennecossett golf course suggest that operational break-even is a fair target for this facility. This means that excess funds to save as a reserve for replacement are not likely to be produced by Shennecossett, and that larger capital improvement projects, such as those proposed by NGF Consulting, will have to come from another source of support such as the town's General fund.

### SUMMARY AND RECOMMENDATIONS

NGF Consulting has found that Town of Groton's municipal golf operation is fulfilling its mission to provide affordable golf to the citizens of southeast Connecticut. Unlike other Parks and Recreation amenities that the Town offers, the golf operation generates some \$1.0+ million in revenues that have traditionally been sufficient to cover all costs associated with the golf operation. In recent years the revenues have fallen for a number of reasons, some of which cannot be controlled by the Town of Groton and some that can be controlled.

The NGF Consulting recommendations contained in this report generally involve expanding on what the Town is presently doing right and focusing on ways to be more efficient with what is

## DRAFT

there and promoting activities that stimulate greater participation from the community. The set up that seems to offer the facility the best chance for financial success is to place the direct control of the golf facility operation with people who are closest to the golf course and who have proven experience in managing profitable public golf courses. This can be accomplished by creating a new “Golf Department,” or “Golf Manager” position that has ultimate authority at the facility and is answerable directly to the Town Manager. As noted, NGF Consulting also expects that the Town’s general fund will have to be used to pay for large-scale capital improvement projects while the golf facility’s revenues should be expected to cover basic facility operations.

Throughout the text of this report, NGF Consulting has made recommendations for the future operation of the Shennecossett Golf Course. These recommendations are detailed throughout the text of this report and are summarized in the prioritized list that appears below. Where applicable specific cost estimates are provided, although NGF Consulting notes that many of these recommendations do not involve direct capital expenditures, as some of the items represent simple changes to the operating structure and staffing of the facility.

1. Bring the authority for **golf management closer to the golf course** by creating a “Golf Director” position that is based at the golf course and reports directly to Town government (City Manager). This can be done with existing employees and changing responsibilities. This system creates a golf operation where the responsible authority for all golf facility operations is at the golf course and is focused on efforts that can increase rounds and revenues as opposed to taking reservations and fees.
2. **Re-evaluate the present union contract** covering the golf facility maintenance employees, as this agreement is too restrictive and labor costs too high. It is suggested that in the next contract negotiations an effort be made to: (1) allow the Golf Course Superintendent to work on the course; (2) decrease labor costs thereby allowing for an increase in the size of the permanent staff to eight; (3) permit the use of volunteer labor in specific golf course improvement projects whenever offered; and (4) allow for part-time employees to work more hours during the week and operate additional equipment. In the event that the Town and the Union are unable to agree upon reasonable concessions, the Town should anticipate having to privatize the maintenance operation so that expenses can be reduced.
3. Consider using Town of Groton general fund money to **complete a series of necessary facility improvements** totaling about \$350,000 that are extraordinary in nature and could never be financed out of golf course revenues. These projects include (in priority order):
  - a. Install asphalt **cart paths** around all tees and greens. These paths should be 8 to 10 feet wide. Eight-foot wide cart paths should be installed around all tees, greens, all par 3 holes and on specific areas that tend to drain poorly. NGF Consulting expected direct cost is approximately **\$200,000**.
  - b. The drainage problem on **number 7 fairway** should be repaired. Expected direct cost is approximately **\$9,000 to \$12,000**.
  - c. The maintenance building should be replaced or at least improved to allow for washing of equipment and better chemical storage. Expected direct cost is approximately **\$90,000 to \$120,000**.

## DRAFT

- d. Build new tees or increase the size of the existing tees on par 3 holes so the tees have 200 square feet of usable teeing area for every 1,000 rounds of golf played. Therefore, if the course has 25,000 rounds in a year, the par 3 holes should have 5,000 square feet of teeing ground. Par 4 or par 5 holes where no irons are used should have 100 square feet of teeing area for every 1,000 rounds. Expected direct cost is approximately **\$12,000 to \$15,000**.
4. All of the **bunkers need to be repaired** to get the sand build-up from the edges removed and to have the sand spread to a uniform depth throughout. This is a continuing maintenance and labor issue with little or no direct capital expense.
5. NGF Consulting recommends that Shennecossett management **develop a marketing strategy** that will insure a balance between the number of green fee players and members is maintained and that maximum utilization of the facility is achieved. Among the specific strategies emphasized include a tourist strategy, tournament/outing strategy, website strategy, and better tie-in with the Par 4 F&B concessionaire. Total direct costs include no up-front capital outlay and the addition of a \$10,000 per year marketing budget.
6. NGF Consulting has recommended **minimal changes to the basic fee structure** of the Shennecossett Golf Course. We do recommend that the facility become more flexible in pricing to allow for golf packages, specials, discounts, merchandise offers, and food/beverage/golf offerings, particularly at times when play is slow.
7. Keep accurate records of golf fees, merchandise sales and cart rentals by using a **Point-of Sale (POS) system** in the golf operation. New systems such as these have many outstanding features and can range in price from **\$1,000 to \$2,000**.
8. NGF Consulting recommends Shennecossett **offer a more aggressive series of instruction programs** that makes a greater effort to introduce new players of all ages to the game as well as providing more experienced players with learning opportunities to elevate their skills.
9. NGF Consulting recommends management develop a more comprehensive set of written **policies and procedures for tournaments and outings** to be held at Shennecossett. Tournaments are an excellent revenue generator, especially for off-peak times and they generate exposure to the facility from golfers who otherwise may never have played the course. Tournaments and outings should be a primary focus for Shennecossett operators.
10. Make no special accommodations for **winter play**. Excess winter play is causing more problems in the spring than it is worth in revenue. Winter play should be allowed on temporary greens only.
11. NGF Consulting recommends **deferring the replacement or major renovation of Shennecossett clubhouse** until the golf course and maintenance operation deficiencies have been corrected. Aside from inexpensive cosmetic improvements, energy saving improvements and emergency repairs, no further improvements to the clubhouse should be contemplated at this time. The golf course parking lot should be renovated to include a traffic re-configuration and a fresh surface.

## DRAFT

We believe that implementation of these recommendations will allow the facility to become more competitive in its immediate local market and take full advantage of Shennecossett's positive attributes. Our recommendations also consider the overall value to the Town of Groton of having a facility like Shennecossett, value that cannot always be measured in monetary terms.

## Market Area Overview

In the following section of this report, NGF Consulting will provide a summary of important factors that characterize the trade area in which the Shennecossett Golf Course operates. This overview will include an investigation of the area's basic demographic and economic status, and conclusions as to their potential affect on the area's golf market. NGF Consulting will then provide a summary of these factors and how they relate to the continued operation of the Town's golf course.

### DEMOGRAPHIC OVERVIEW

Utilizing research materials provided by Applied Geographic Solutions, Inc. (a supplier of demographic research based on U.S. Census results), NGF Consulting has examined relevant characteristics of the local population. In the following table, NGF Consulting indicates the population, median age, and median household income trends for the local Shennecossett market, the Hartford DMA, State of Connecticut, and the United States. More detailed demographics are provided in the tables of **Appendix A**.

#### Snapshot

	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Population</b>						
1990	215,505	489,631	254,956	2,459,268	3,287,121	248,710,012
2000	214,820	522,852	259,088	2,522,836	3,405,565	281,421,906
CAGR 1990-2000	0.0%	0.7%	0.2%	0.3%	0.4%	1.2%
2003	219,953	545,134	264,291	2,582,489	3,484,919	291,456,161
2008	227,853	577,194	272,290	2,674,254	3,606,998	306,893,477
CAGR 2003-2008	0.7%	1.1%	0.6%	0.7%	0.7%	1.0%
<b>Households</b>						
1990	79,567	180,958	93,245	925,366	1,230,483	91,947,641
2000	83,922	200,562	99,835	977,356	1,301,670	105,480,101
CAGR 1990-2000	0.5%	1.0%	0.7%	0.5%	0.6%	1.4%
2003	87,256	212,289	103,398	1,011,018	1,342,470	109,810,264
2008	92,542	229,827	109,027	1,063,864	1,406,244	116,512,417
CAGR 2003-2008	1.2%	1.6%	1.1%	1.0%	0.9%	1.2%
<b>Median Age</b>						
1990	32	34	32	34	34	33
2000	37	38	37	38	37	35
CAGR 1990-2000	1.4%	1.2%	1.3%	1.0%	0.8%	0.7%
2003	38	39	38	38	39	36
2008	40	41	40	40	40	37
CAGR 2003-2008	0.8%	0.9%	0.8%	0.7%	0.7%	0.6%
<b>Median Household Income</b>						
1990	\$36,696	\$39,076	\$37,596	\$40,044	\$42,033	\$30,110
2003	\$52,104	\$56,949	\$54,212	\$54,905	\$57,850	\$45,128
CAGR 1990-2003	3.0%	3.2%	3.1%	2.7%	2.7%	3.4%
2008	\$57,992	\$65,633	\$60,370	\$61,708	\$66,632	\$50,610
CAGR 2003-2008	2.2%	2.9%	2.2%	2.4%	2.9%	2.3%
CAGR: Compound Annual Growth Rate Source: Applied Geographic Solutions, Inc.						



## Demographics Summary

From the data presented above, NGF Consulting has made the following observations regarding local demographics:

- There are approximately 550,000± persons presently residing in the 30-mile Shennecossett market area in 2003. The one percent (1%) population growth expected in the market is roughly equal to the total U.S. average. The implication of a stable resident population for continued golf operations in the area is that secondary sources of golf demand, including the visitor and corporate markets, become relatively more important. Aggressive marketing to these segments will become even more essential as new golf course supply is introduced into the area.
- The median age in the Shennecossett market area is slightly higher than that of the state and country as a whole. In general, the propensity to play golf with greater frequency increases with age, making relatively older markets more attractive to golf facility operators, all other factors being equal.
- Median household income in the local Shennecossett market and the State of Connecticut as a whole is much higher than the total U.S. figure indicating a greater proportion of higher income residents. In general, higher income residents are more likely to participate in golf, and they play more frequently than lower income golfers.

## ECONOMIC OVERVIEW

In addition to identifying demographic trends and characteristics of the area, we have examined economic indicators in the state and local economy. This regional and local analysis of the economy and its likely impact on the success of area public golf courses will assist in identifying key trends in the market area and how these trends will relate to the future operation of the Shennecossett Golf Course.

The health and vigor of a local economy is supported and determined by a number of factors, including, but not limited to: the size and strength of the labor force, unemployment levels, and other economic indicators such as tourism activity and real estate trends. This part of the report focuses on the aspects of the economy that can have a potential impact on the success of the subject golf facility.

### Connecticut Aggregate Economy

#### Snapshot

The state of Connecticut enjoys a robust and diversified economy, with low unemployment rates and high incomes somewhat diminished by lagging job growth. The following table highlights Connecticut's relative ranking among the fifty states on some key measures.



## DRAFT

Connecticut Rankings	
Measure	Rank
Per Capita Personal Income (2000)	1 <sup>st</sup> (\$39,300)
Population Growth (2000 to 2001)	14 <sup>th</sup> (3.8%)
Average Annual Pay (1999)	1 <sup>st</sup> (\$40,915)
% of Population College Graduates (2000)	3 <sup>rd</sup> (33.5%)
Source: Connecticut Economic Resource Center	

Similar to other regions of the country that we have examined, Connecticut is experiencing a shift from traditional “blue collar” employment toward “white collar” employment. This is most prevalent in the services sector, which continues to grow steadily. However, manufacturing is holding its own due to the growth of the pharmaceutical industry, particularly in the southeastern part of the state. Generally, a shift towards “white collar” employment in a market area is favorable for golf course development, especially for high-end facilities.

### Tourism

According to the Connecticut Office of Tourism, there were 15.6 million ‘person-trips’ taken to Connecticut in 2002, with 10.75 million of these under the category of ‘destination/overnight trips’. Tourism is playing an ever-increasing role in the Connecticut economy, attributable in large part to the continued success and expansion of the Foxwoods and Mohegan Sun Casinos in New London County. The tables on the following pages illustrate the nature and magnitude of the tourism industry in Connecticut.

Travel and Tourism Expenditures by County- 2002 (\$Million)		
County	Total Expend.	Percent of Total
Fairfield	\$1,439.61	29.07%
Hartford	\$1,146.09	23.14%
Litchfield	\$197.16	3.98%
Middlesex	\$299.7	6.05%
New Haven	\$901.53	18.2%
<b>New London</b>	<b>\$760.6</b>	<b>15.36%</b>
Tolland	\$115.4	2.33%
Windham	\$92.24	1.86%
Note: These expenditures do not include money spent on Indian reservations		
Source: Connecticut Dept. of Economic and Community Development		

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Purpose of Overnight Trip to Connecticut by County - 2002			
County	% Pleasure	% Business	% Other
Fairfield	33.5%	46.9%	19.6%
Hartford	29.1%	38.9%	32%
Litchfield	64.7%	14.5%	20.8%
Middlesex	70.1%	14.9%	15%
New Haven	45.3%	33.5%	21.2%
<b>New London</b>	<b>71.9%</b>	<b>17.2%</b>	<b>10.9%</b>
Tolland	54.9%	24.5%	20.6%
Windham	77.9%	15.2%	6.9%
Source: Connecticut Dept. of Economic and Community Development			

Origin of Out-of-State Overnight Visitors - Percentage by County - 2002							
	N.Y.C. Metro	Other N.Y. State	New Jersey	Penn.	Other New England	Other States	Foreign
Fairfield	23.9%	7.1%	7.0%	3.4%	26.5%	24.3%	7.75%
Hartford	16.7%	28.2%	6.1%	5.1%	28.2%	9.6%	6.1%
Litchfield	36.9%	8.4%	10.8%	3.9%	21.0%	12.9%	6.1%
Middlesex	31.3%	8.7%	14.4%	4.35%	28.3%	10.55%	2.5%
New Haven	22.5%	6.7%	8.0%	5.3%	28.9%	21.0%	7.6%
<b>New London</b>	<b>29.9%</b>	<b>9.75%</b>	<b>12.45%</b>	<b>6.25%</b>	<b>26.0%</b>	<b>11.3%</b>	<b>4.25%</b>
Tolland	13.1%	8.9%	11.0%	8.1%	30.5%	21.8%	6.5%
Windham	27.3%	4.0%	7.5%	5.4%	22.5%	28.7%	4.5%
<b>State Total</b>	<b>26.8%</b>	<b>8.2%</b>	<b>10.4%</b>	<b>5.7%</b>	<b>26.9%</b>	<b>16.0%</b>	<b>6.1%</b>
Totals may not add up to 100% due to rounding Source: Connecticut Dept. of Economic and Community Development							

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<b>Activities in State by Visitors – 2002 (000's)</b>		
<b>Activity</b>	<b>Frequency (Total Visitors)</b>	<b>Frequency (Overnight Visitors)</b>
Historical Places/Museums	1,510	1,229
National/State Park	293	263
Cultural Events/Festivals	726	674
Theme/Amusement Park	127	95
Outdoor	750	677
Shopping	2,628	2,338
Nightlife/Dancing	524	460
Beaches	667	650
<b>Golf/Tennis/Skiing</b>	<b>209</b>	<b>168</b>
Sports Event	309	294
<b>Gambling</b>	<b>2,500</b>	<b>2,374</b>
Other	494	461
No Answer	7,893	4,342
<i><b>Trips</b></i>	<b>15,995</b>	<b>11,484</b>
Source: Connecticut Dept. of Economic and Community Development		

As would be expected with the tourist attractions of the Mystic area and the casinos in the North Stonington area, the majority of visitors to New London County are coming for the purpose of pleasure. Their place of origin is predominately New York, New Jersey and the rest of New England. The magnitude of tourists coming to Connecticut for the expressed purpose of gambling, or playing golf or tennis could be a big benefit to golf operators in the Shennecossett market area.

### **New London County Economic Overview**

As is the case with the state of Connecticut, the New London 'Labor Market Area' (LMA) is experiencing a very gradual shift from traditional manufacturing driven economy to a service driven economy. This shift is more evident in the New London LMA than anywhere else in the state due to the casino presence. In fact, New London has the state's largest percentage of people working in service occupations. However, non-durable manufacturing is also growing rapidly in the southeastern part of Connecticut due to the continued expansion of the pharmaceutical industry, driven by Pfizer. The Connecticut Department of Labor's ten-year employment projections (1998 to 2008) show that State employment growth will be greatest in eastern Connecticut, which comprises the New London, Danielson and Lower River labor market areas. Growth in manufacturing jobs is projected at 37 percent and surpasses the general trend for the State. The casino-driven service industry is expected to grow by 28 percent through 2008, and overall employment by 13.3 percent.

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## Major Employers

Employment in the New London LMA is very diversified, dominated by a casino-driven service industry and a Pfizer-driven manufacturing industry. Below is a list of the ten largest corporate employers in the New London LMA as of 2003. This does not reflect Pfizer's recent expansion in the town of New London, or the effect on the employment base at Mohegan Sun due to its huge expansion, which necessitated the addition of about 3,500 temporary or permanent workers. Pfizer recently opened its 1.35 million-square-foot Global Research and Development Headquarters, which will have 1,700 offices and employ upwards of 2,000 people, many in immediate proximity to the subject Shennecossett Golf Course.

	Employer	Location	Product/Service	Employees
1.	Foxwoods Resort Casino	Ledyard	Gaming/Entertainment	11,500
2.	U.S. Naval Submarine Base	Groton	Submarine Base	10,119
3.	Electric Boat	Groton	Submarine Design/Construction	9,000
4.	Pfizer	SE CT	Pharmaceuticals	6,200
5.	Mohegan Sun Resort	Uncasville	Gaming/Entertainment	5,500
6.	Lawrence & Memorial Hospital	New London	Hospital Care	2,000
7.	Millstone Nuclear Power	Waterford	Electric Power Generation	1,880
8.	Wm. W. Backus Hospital	Norwich	Hospital Care	1,500
9.	U.S. Coast Guard Academy	New London	U.S. Service Academy	1,342
10.	Connecticut College	New London	Private Liberal Arts College	900
Source: Mystic & More/Area Survey of Employers (April 2000)				

## Tourism

Tourism is a major revenue generator in New London County, primarily due to the presence of the Mohegan Sun and Foxwoods Casinos. According to the Connecticut Department of Economic and Community Development, total expenditures attributable to tourism in 2002, not including money spent on the Indian reservations, was estimated to be \$760.6 million, or about 15% of the state total. The Department does not break out the actual number of visitors by region, but it is believed that roughly 80,000 to 100,000 people visit the casinos alone on a daily basis.

As mentioned earlier, the majority of visitors to New London County are pleasure travelers emanating from the New England states and New York, especially New York City. Most are coming to the Mystic area and to the two casinos. The Mohegan Sun Casino is located off of Route 2A on the west side of the Thames River in the town of Uncasville. In addition to gambling, it features dining, entertainment in the Events Center, and shopping.

The Mohegan Tribe has recently completed (2003) a \$1.1 billion dollar, 4 million square-foot Sunburst expansion project. Mohegan Sun now includes a 1,200-room (including 175 suites), 34-story luxury hotel, 100,000 square feet of meeting and conference space, a 21,275-square foot spa, a 10,000-seat arena, more than 30 retail stores and 12 new restaurants. The project

## DRAFT

means an expansion of the casino's gambling space to 276,000 square feet with the addition of the 115,000-square foot Casino of the Sky.

Foxwoods Resort & Casino opened in 1992 and is located on the Mashantucket Pequot Indian Reservation off of Route 2 in North Stonington. The resort offers over 1,400 rooms at its three hotels, including 824 at the Grand Pequot Tower. Amenities, other than the casino, include dining, headline entertainment, shopping, indoor pools, a salon and spa, and exercise rooms. Also, the Mashantuckets own the Foxwoods Golf Club in Richmond, Rhode Island and are in the process of building two more on their Lake of the Isles property.

### Housing Activity

The median selling price of existing single-family homes in New London County increased almost across the board in the period from 1999 to 2002. New housing activity in the county has declined over the last few years, with the number of single-family housing permits falling 9.5% from 2000 to 2001, and another 8.7% from 2001 to 2002. This trend has not been the case for the local area that comprises Franklin and its four neighboring towns within New London County – Lebanon, Bozrah, Norwich, and Sprague. These towns, cumulatively, have seen an increase of 40%, from 62 to 87, for the period of 2000 to 2002.

### Hotels

The chart below lists the number of hotel rooms per town for New London County, according to the Southeastern Connecticut Tourism District. These numbers include hotels, motels, bed & breakfasts and inns. All known hotels that will be opening in the future are included in this count. (Mystic hotels have been allocated to either Groton or Stonington by geographic location, as determined by the Department of Revenue Services). According to Deborah Donovan of Mystic & More, average occupancy rates are in mid-90s in the summer and the upper-60s in mid-winter.

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New London County Hotel Rooms by Town – June/2003	
Town	Number of Rooms
Bozrah	8
East Lyme/Niantic	487
Griswold	2
Groton	1,273 (includes Mystic Marriott)
Ledyard	1,444 (includes Foxwoods)
Lisbon	3
Montville	1,442 (includes Mohegan Sun)
New London	453
North Stonington	200
Norwich	493
Olde Lyme	36
Preston	18
Stonington	1,301
Voluntown	25
Waterford	175
<b>Total</b>	<b>7,360</b>
Source: Southeastern Connecticut Tourism District	

### Commercial Activity

Aside from the Mohegan Sun project discussed in earlier sections, there is much new commercial activity in either progress or planning in New London County. The larger of these projects include: a 78-room AmericInn Motel and Suites that has been permitted for the Route 138-Voluntown Road intersection in Griswold; a three-story, 120-room Microtel Inn & Suites in Montville that Konover Corporation is in the process of completing; a new 180-room national chain hotel that has been approved for Preston; and, Lisbon Landing, a nearly 55,000-square foot retail development near Route 12 and River Road in Lisbon. This development is under construction and is slated for completion by the end of 2001. Home Depot and Kohl's Department Store are already open and the plaza will also include a Super Wal-Mart, Old Navy, Linens N' Things, Famous Footwear, Bath and Body Works, and a restaurant.

### Climate

As is the case with many northeastern U.S. locations, the southeast Connecticut area has a full range of climate seasons that can affect the amount of golf that can be played during the course of the year. Typically, the area's colder winter temperatures limit the amount of golf that can be played between November and April. However, due to its coastal proximity to the Atlantic Ocean and Long Island Sound, the Shennecossett Golf Course tends to have more moderate temperatures allowing for year-round play even when other local golf courses are closed due to the cold weather. Precipitation is also another factor in how much golf can be played at the

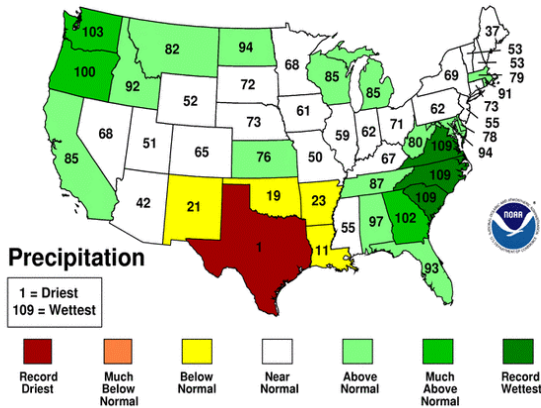
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facility. The extreme wet weather during much of the 2003 playing season appears to have severely limited the volume of golf activity during that year. The table below shows the expected norms for the area in terms of average high and low temperatures and the average precipitation.

Southeast Connecticut (30 Years)			
Year	Avg. High	Avg. Low	Avg. Precipitation
JAN	34.1	17.2	3.84
FEB	37.7	19.9	2.96
MAR	47.7	28.3	3.88
APR	59.9	37.9	3.86
MAY	71.7	48.1	4.39
JUN	80.0	57.0	3.85
JUL	84.9	62.4	3.67
AUG	82.5	60.7	3.98
SEP	74.3	52.1	4.13
OCT	63.1	40.6	3.94
NOV	50.9	32.6	4.06
DEC	39.0	22.6	3.60
<b>Avg./Total</b>	<b>60.5</b>	<b>40.0</b>	<b>46.16</b>
Source: National Oceanic and Atmospheric Administration (NOAA) - <i>Local Climatological Data Annual Summary</i>			

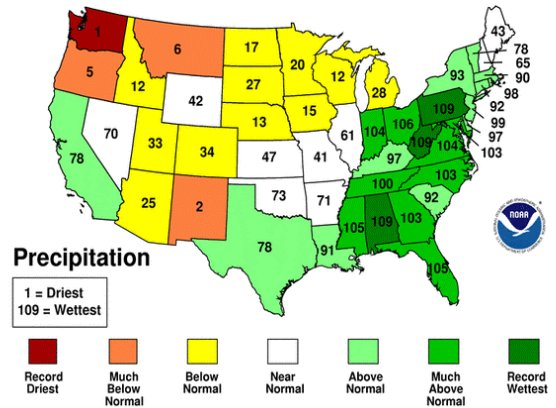
## March-May 2003 Statewide Ranks

National Climatic Data Center/NESDIS/NOAA



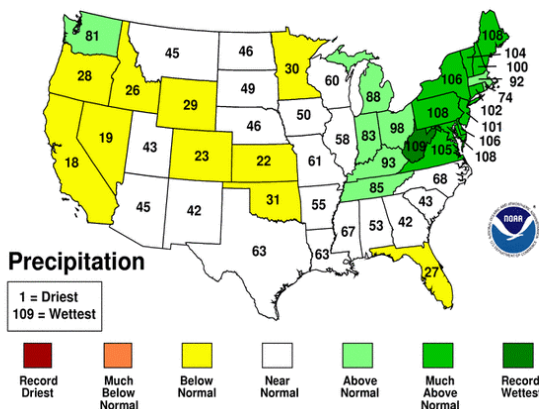
## Jun-Aug 2003 Statewide Ranks

National Climatic Data Center/NESDIS/NOAA



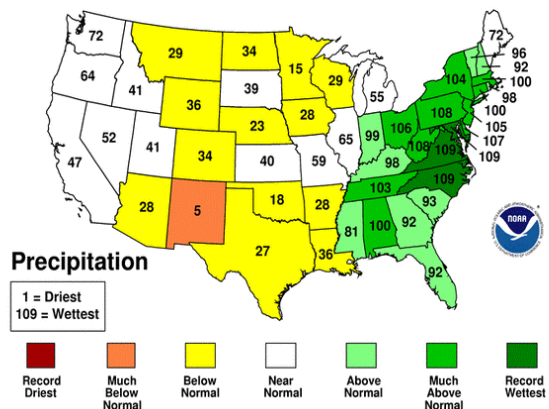
### September-November 2003 Statewide Ranks

National Climatic Data Center/NESDIS/NOAA



### January-December 2003 Statewide Ranks

National Climatic Data Center/NESDIS/NOAA



## MARKET AREA OVERVIEW SUMMARY

- The demographic data we have presented for the local Shennecossett trade area indicates a relatively stagnant rural/suburban population, which is undergoing a very gradual shift from blue-collar to white-collar. The populace is becoming increasingly affluent; meaning a growing number of higher income residents will be residing close to Groton in the future, representing a solid core market from which to draw repeat customers.
- The economic base of the New London County/ Southeastern Connecticut area is supported on two fronts – the service industry is bolstered by the continued success and expansion of the local casinos, while the manufacturing industry has been able to buck national trends thanks to the expansion of the pharmaceutical company presence, led by Pfizer. Both fronts offer considerable opportunity for the subject Shennecossett Golf Course to expand its market base and increase rounds activity in the tourist and corporate segments.
- The economy of the Franklin/New London County area is very strong, with an extensive corporate presence, extremely low unemployment, and high and rapidly rising median household incomes, vigorous commercial construction activity, and steadily increasing home values. Tourism is a significant revenue generator and the industry continues to grow rapidly, primarily due to the presence of the Mohegan Sun and Foxwoods Casinos. This bodes well for the Shennecossett Golf Course, as the visitor market will be vital to the facility's future operational plan.
- The local Groton area climate and the more mild coastal winter offer a potential advantage for the Shennecossett golf operation. This facility is one of the only golf courses in the region that is available for full open play without temporary greens during much of the winter season when other more inland golf courses are closed. NGF Consulting will address the issue of winter play in subsequent sections of this report.



## Golf Market Overview

Having identified key demographic and economic factors that may affect the performance of the subject Shennecossett golf course, we now turn our attention to the status of the local golf market in terms of supply and demand. NGF Consulting uses actual data from competing golf facilities to provide documentation of the local golf economy. NGF Consulting also utilizes predictive models as benchmarks for estimating potential market strength. The methodology for determining the relative strength of the subject market is described in the following section.

### NATIONAL TRENDS

Golf participation in the U.S. has grown from 3.5% of the population in the early 1960's to about 12.6% of the population today, with an estimated 36 million golfers residing in the U.S. However, the growth in the number of golfers has slowed recently to about 1.0% per year.

As rapidly as the demand for golf has grown, the supply has grown even faster, with an average increase of about 2.1% per year. With the increase in supply, we are seeing a marked increase in competition. In some markets, the supply appears to be greater than the demand.

In addition to increased competition, four other factors have contributed to a decline in the number of rounds per course during the 2002 and 2003. These include: 1) a worsening economy; 2) the aftereffects of 9-11, which greatly reduced the traveling golfer market; 3) the increasing time pressure on individuals and families; and 4) abnormally poor weather conditions over the past few years in much of the U.S., especially the northeast. The combination of these factors has caused many golf facilities to become distressed, particularly those that have a high debt load because of higher construction costs and the perceived need to build high-end courses. A very large share of these distressed golf courses include golf facilities built as part of new master-planned residential communities at over-inflated prices during the 1993-2003 period.

In terms of the total number of rounds produced, NGF estimates that rounds fell about 3% in 2002. NGF further estimates that 2003 will see an additional decline of about 5.2%. **The Northeast U.S. Region, which includes Groton, saw rounds drop by almost 18% through the first three quarters of 2003 (the largest regional decrease in the U.S.).** In early 2004, there are indications that the golf industry is on the rebound. An April 2004 survey conducted by NGF of 1,000 courses nationwide indicated an increase in rounds played of about 5.5 percent over the first quarter of 2003.

Regionally, the Northeast and Mid Atlantic posted strong gains in the first quarter of 2004, partly due to having more play days - 10 more days on average in the Northeast and four more in the Mid Atlantic. The Mountain region, which had the sharpest percentage decrease for the quarter (-5.0%), also had significantly fewer play days - an average of 10 fewer days open in the region.

In addition, the growth in golf course development has also slowed, which, with a growth in rounds, should help ease some of the competitive pressure. Another positive trend is the aging of America. Baby boomers are rapidly approaching retirement age, which is the age that golf flourishes. Although participation rates typically decline with age, due primarily to physical limitations and economic limitations imposed by fixed incomes, the number of rounds produced per golfer increases dramatically. The baby boomers represent not only the largest single

## DRAFT

demographic in the US, but they also approach retirement age with more disposable income than any previous generation. Thus, a general increase in golf rounds can be anticipated over the next ten years as a direct result of the retiring of baby boomers.

### ESTIMATED GROTON AREA RESIDENT GOLF DEMAND 2003-2008

A detailed demand analysis appears in **Appendix B** to this report. In this section of the our report, NGF Consulting will seek to summarize the public golf demand potential in this market area and how this demand will impact golf operations at Shennecossett.

The table below illustrates how the Hartford-New Haven DMA ranks in relation to the other 210 DMAs nationwide on some key golf demand and supply measures.

Characteristic	Rank (of 211 DMAs)
Predicted Household Participation Rate	48
Predicted Golfing Households	27
Predicted Golf Rounds Demanded	37
Total Number of Facilities	33
<i>Public Facilities</i>	41
<i>Private Facilities</i>	26
<i>Resort Facilities</i>	150
<i>Premium Facilities</i>	37
<i>Standard Facilities</i>	24
<i>Value Facilities</i>	58

DMA Golf Demand Rankings	
Predicted Household Participation Rate	21%
<i>Rank (of 211 DMAs)</i>	48
Predicted Number of Golfing Households	206,250
<i>Rank (of 211 DMAs)</i>	27
Predicted Number of Rounds Demanded - 2002	3,950,285
<i>Rank (of 211 DMAs)</i>	37

- The national trend data accumulated by the National Golf Foundation and summarized in this report indicates that golf appears to be emerging from a considerable slow period during 2002 and 2003. The northeastern U.S., including southeast Connecticut, was hit particularly hard with poor weather during this period limiting the number of playable golf days and reducing realized golf rounds played. Further, lifestyle trends indicate that golfers tend to have much less time available for participation in the sport and this has added to decreased rounds activity.
- NGF Consulting statistical data analysis indicates that while residents of the Groton area are equally likely to be golfers as the total U.S. population, the golfers in this market tend to play fewer rounds of golf each year due to a

## DRAFT

shortened golf season. Our evaluation also shows that there may be some “latent” demand for golf in the area from households with favorable demographics that are not presently active in golf.

- The NGF Consulting golf demand Index mapping prepared for this study indicates that while the immediate Shennecossett market area ranks lower in terms of potential golfing households, there are strong pockets of golf demand in the southeast Connecticut area. NGF Consulting will discuss strategies to better capture these non-local golfers in the operation review sections that follow in this report.
- In addition to a large permanent resident population in the southeast Connecticut area, there is a substantial visitor market from which to draw additional play. Area tourists have the potential to add more than 250,000+ rounds of golf to the local demand each year. The key to tapping into this market is availability and convenience of access to golf facilities, as well as carefully considered product positioning (course location and quality, price points, amenities, customer service philosophy) and marketing. Without these factors present, the number of **actual** rounds demanded from tourists is likely to be much less than that indicated by the model.
- As we saw in the Market Area Overview section of this report, southeastern Connecticut is home to a significant number of major corporate employers. It is clear that the operators of Shennecossett Golf Course should target this market to augment the rounds expected from the permanent resident and tourist/hotel guest segments. This could take the form of pre-arranged tee times, corporate outings/tournaments, weekday-only corporate memberships, or some combination of the three. Some specific recommendations for targeting this segment will be outlined in the operations review section of this report.

## GROTON AREA BASIC SUPPLY INDICATORS

**Appendix B** details basic data on golf facility supply including number of facilities and total number of holes, divided by facility type and price points. Utilizing this data in conjunction with the demographics presented earlier, we uncover the following results:

### Household/Supply Ratios

The Household/Supply Ratio is derived by dividing the total number of households by the number of 18-hole equivalent golf courses. Household/Supply indices are derived from these ratios, and then compared with the base national figure of 100. As the tables on the following page indicate, the local southeast Connecticut area appears to be over-supplied with golf relative to the total State and U.S. figures indicating that there are considerably fewer households available to support each 18-holes of golf in the market. For instance, the 30-mile ring around Shennecossett Golf Course has 34 percent fewer (Index=66) households per public 18 golf holes as the U.S.

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Household Supply Ratio - 2003						
	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Households Per 18 Holes</b>						
Total	6,018	4,937	7,659	8,641	8,364	7,477
Public	10,265	8,165	12,164	13,303	15,084	10,533
Private	14,543	12,488	20,680	24,659	18,776	25,765
Resort	0	0	0	0	2,684,940	85,323
<b>By Price Point:</b>						
Premium	29,085	20,218	103,398	41,266	33,562	29,897
Standard	10,907	9,034	12,164	14,978	14,834	16,308
Value	24,930	23,588	25,850	40,441	44,749	25,654
<b>By Public Facility Type:</b>						
Daily Fee	13,424	9,874	15,907	18,054	23,146	13,322
Municipal	43,628	47,175	51,699	50,551	43,305	50,314
*Resort facilities can be public OR private and are therefore already included in the total						

Household Supply Index - 2003						
	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Households Per 18 Holes</b>						
Total	81	66	103	116	112	100
Public	98	78	116	126	143	100
Private	57	49	81	96	73	100
Resort*	0	0	0	0	3,160	100
<b>By Price Point:</b>						
Premium	97	67	344	137	112	100
Standard	68	56	76	94	93	100
Value	94	89	98	153	169	100
<b>Additional Indices:</b>						
Golfing Households per 18-Hole Facility	81	66	103	116	112	100
Rounds per 18-Hole Facility	52	40	67	81	83	100
*Resort facilities can be public OR private and are therefore already included in the total						

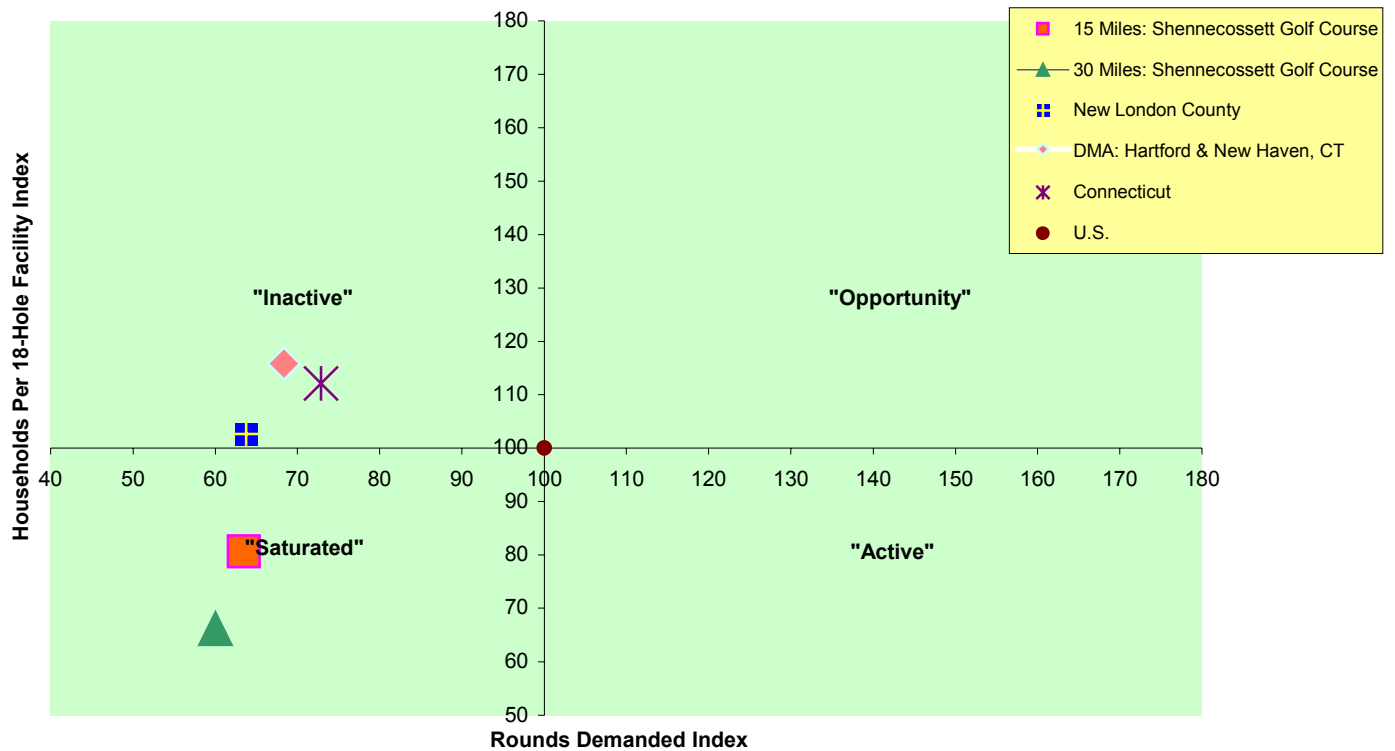
## GOLF MARKET SUMMARY

Using the most basic measures of golf demand and supply, the overall southeast Connecticut market area (both local and broad) is considered by NGF Consulting to be an “inactive” golf market with local pockets of “saturation.” This means that in some local markets around the subject Shennecossett Golf Course there are fewer households available to support each 18-hole golf course in the community, and these few households do not tend to demand a lot of golf anyway. The implication for the Shennecossett golf facility operators is that greater penetration

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into the resident and tourist markets through targeted programs and advertising will be necessary to sustain golf operations.

### Opportunity Chart



## Competitive Review

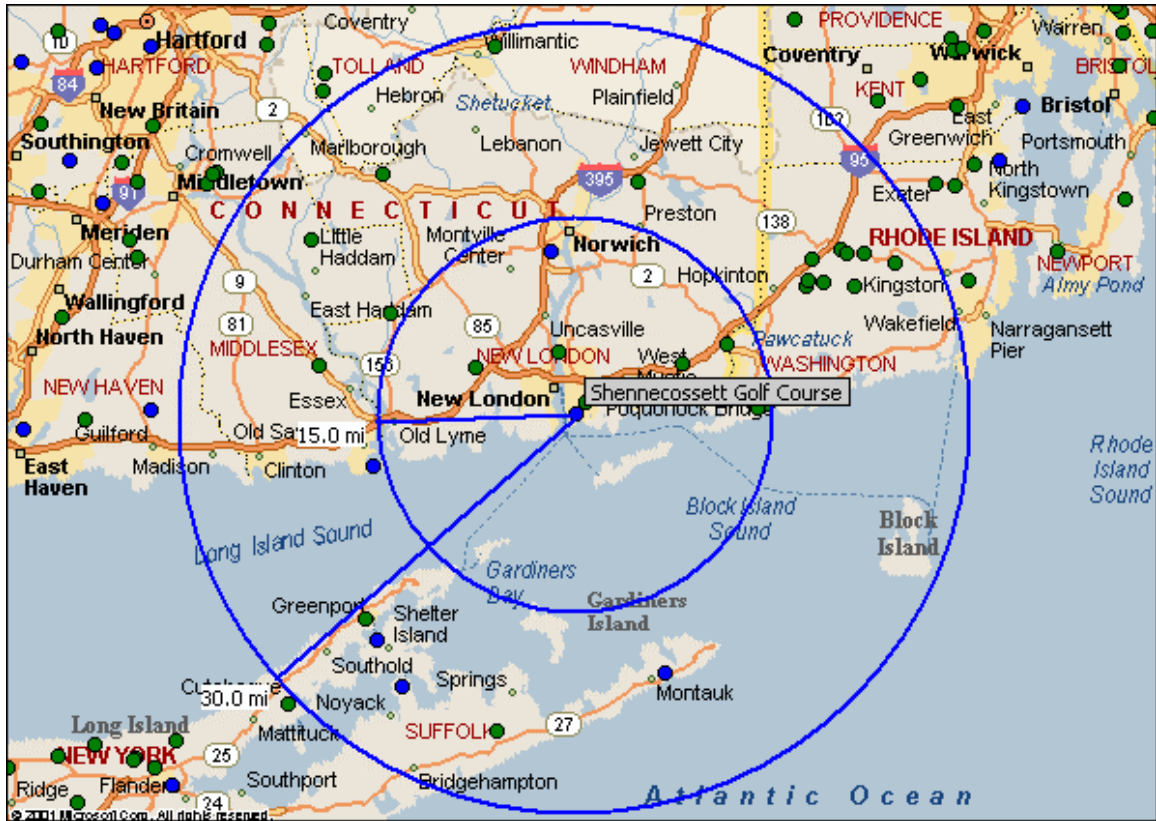
One of the objectives of this study is to identify what, if any, opportunities exist for the Town of Groton to grow market share and revenues at the Town's golf course. To accomplish this objective, we must identify how other public-access golf facilities are performing in the immediate local market. NGF Consulting has identified 11 public access golf facilities in addition to Shennecossett as the facilities that comprise the direct competitive set for the subject golf course. While NGF Consulting recognizes that there may be other golf courses available for public play in the towns on the outskirts of the defined market area, NGF Consulting has chosen to focus on these facilities as the primary competitive set for comparison purposes. Private golf facilities offering 'club memberships' have basic operational, customer and amenity packages that are not comparable to municipal golf courses and are therefore not profiled in detail in this study. NGF Consulting has profiled proposed new public courses that may be added to the area over the next few years.

### PUBLIC GOLF MARKET

The quality level of public golf facilities competitive to Shennecossett varies considerably, but is generally very good. NGF Consulting has collected basic operating data from the market area's public golf facilities. The data tables on the following pages display key information such as annual rounds played, daily green fees and membership fees.

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## Groton Area Public Golf Course Map



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## Groton Area Public Golf Course Comparison Chart

FACILITY	MUNICIPALITY	CAT	TYP	HOLES	YEAR OPEN	1999 18H WE FEE	2004 RESIDENT 18H WE FEE	2004 NON- RESIDENT 18H WE FEE	2004 18H CART FEE	RNDS 1999-00	RNDS 2003
Shennecossett Golf Course	Groton	MU	Reg	18	1898	\$32.00	\$35.00	\$40.00	\$15.00	42,300	34,000
Elmridge Golf Course	Pawcatuck	DF	Reg	18	1967	\$35.00	\$37.00	\$37.00	\$13.00	65,000	54,000
Fox Hopyard Golf Club	East Haddam	DF	Reg	18	2001		\$96.00	\$96.00	\$18.00		32,000
Norwich Golf Course	Norwich	MU	Reg	18	1926	\$32.00	\$33.00	\$39.00	\$15.00	48,500	40,000
Pequot Golf Club	Stonington	DF	Reg	18	1959	\$28.00	\$31.00	\$31.00	\$13.00	40,000	38,000
River Ridge Golf Course	Jewett City	DF	Reg	18	1999	\$35.00	\$38.00	\$38.00	\$14.00	30,000	36,000
Winnapaug Golf & Country Club	Westerly	DF	Reg	18	1922	\$31.00	\$35.00	\$35.00	\$13.00	40,000	40,000
REGULATION FACILITIES TOTALS/AVERAGE			7	126		\$32.17	\$43.57	\$45.14	\$14.43	265,800	274,000
9-HOLE AND PAR-3 FACILITIES											
Fenwick Golf Club	Old Saybrook	MU	Reg	9	1896	\$14.00	\$14.00	\$14.00		22,000	20,000
US Submarine Base Golf Course	Groton	DF	Reg	9	1985	\$18.00	\$21.00	\$21.00	\$13.00	18,000	18,000
Birch Plain Golf Course	Groton	DF	Par 3	18	1969	\$15.00	\$15.00	\$17.00	\$12.00	20,000	18,000
Cedar Ridge Golf Course	East Lyme	DF	Par 3	18	1964	\$26.50	\$29.00	\$32.00	\$12.00	20,000	20,000
Weekapaug Golf Club	Westerly	DF	Reg	9	1969	\$28.00	\$28.00	\$28.00		38,000	37,500
ALTERNATIVE FACILITIES TOTALS/AVERAGE			5	63		\$20.30	\$21.40	\$22.40	\$12.33	118,000	113,500
FULL MARKET TOTALS/AVERAGE			12	189		\$26.77	\$34.33	\$35.67	\$13.80	383,800	391,500
PERCENT CHANGE IN ROUNDS 1999-2003										2.01%	
<b>KEY:</b> MU – Municipal DF – Daily Fee Reg – regulation length NGF Consulting rounds estimates are in italics											



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### Norwich Golf Course

The only other regulation-length public golf course in this market owned by a municipality is the Norwich Golf Course in the City of Norwich. As this facility is the closest municipal competitor to Shennecossett, NGF Consulting has paid close attention to the activity, fees and operating structure of this facility. Some observations are noted below:

- Norwich Golf Course is a municipal course owned and operated by the City of Norwich. The city appoints a 'Golf Course Board of Authority' that controls the operation of the golf course. The Head Golf Professional and Golf Course Superintendent report directly to the Board of Authority, but are not 'micro-managed' and free to operate the golf course as deemed appropriate by market and other conditions. The Food and Beverage concession ('Caddy Shack Restaurant' and on-course snack bar) is contracted out on a yearly basis.
- This system creates a golf operation that is generally separate from the overall City of Norwich government. All golf course staff members are employees of the golf course and not the City of Norwich, although these employees are compensated commensurate with City positions of equal standing. All revenues generated by the golf course remain under the control of the Golf Authority for use in maintaining and improving the golf course.
- Although Norwich GC is a municipal golf course, it is presently operated as a semi-private golf operation with about 415 members playing almost 75% of the total rounds hosted annually. The remaining 25% of play is generated primarily from tourists and visitors to the southeast Connecticut area. Like other courses in the area Norwich has seen a decline in overall play, from 48,000 rounds in the 1998-2000 periods to 40,000 rounds in 2003.
- The Norwich Golf Course does not do extensive marketing to promote the golf course, but the facility does have a very detailed and up-to-date website ([www.norwichgolf.com](http://www.norwichgolf.com)) that the staff has indicated is very well trafficked and has added a significant amount of tourist play.

### New Golf Courses

The growth in public golf facilities in southeast Connecticut has been significant in the last decade. Of the eleven new golf courses to open in the 30-mile market area around Shennecossett since 1994, nine have been public. Nearly 22% of the greater area's current inventory of public golf holes has opened since 1994, compared to only 3.5% in the immediate 15-mile market area. (see table in **Appendix C**). Although the broader area market has seen an influx of new golf facilities, only two of the 12 local Groton golf courses (including Shennecossett) have opened in recent years.

According to our investigation of the golf market, there are presently two new golf facilities either in planning or under construction in the 15-mile market area. As proposed, none of these facilities would be directly competitive to the Town's golf courses. The table on the following page contains a synopsis of each of these projects. In the 30-mile market area, an additional 27 holes are under construction and 72 holes are in planning.

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Facility Name	MUNICIPALITY	Status	Class	Type	Holes	Open	Comments
Lake of Isles Golf Club and Resort	N. Stonington	UC	New	DF/PR	36	Spring 2005	Affiliated with Foxwoods Resort & Casino. New Hard Rock Hotel.
Valley Farm Golf Course	Preston	UC	New	DF	18	Mid-2005	New farm conversion project.
Source: NGF Tracking Database UC=Under Construction							

### COMPETITIVE GOLF FACILITIES SUMMARY

The immediate Groton area has currently has 12 public golf facilities that are competitive, to varying degrees, with the Shennecossett Golf Course. The public access facilities comprise a total of 198 golf holes and supplied an estimated 391,000 public golf rounds during 2003. From our analysis of the competitive market, these major points are evident:

- The regulation 18-hole public golf courses in this market were averaging roughly 44,000± rounds of golf per year during the 1999-2000 period. In 2003, NGF Consulting has observed a decline in average rounds played to about 39,000±, an 11 percent decline. The Shennecossett Golf Course performance was worse than these averages dropping from 42,000 rounds in 1999-2000 to about 34,000 rounds in 2003 (a 19.6% decline).
- Green fees in the market have been trending upward during this period as almost all of the regulation public golf courses have steadily increased fees. However, it does appear that these fee increases have not been as rapid as increases in operating expenses, as was the case with Shennecossett. In short, all of the area golf facility operators are feeling the same “revenue/expense squeeze” as Shennecossett.
- The public golf courses in this local market tend to be older facilities with many antiquated design features and amenities. Shennecossett Golf Course represents a “typical” golf facility in this market. However, this is expected to change in the future as several newer golf courses come on line (including the recently opened Fox Hopyard) and offer golfers more modern design features and amenities.
- NGF Consulting is aware of two new public golf course projects either in planning or under construction in southeast Connecticut, including the very upscale Foxwoods golf project. When and if both courses are completed, these facilities may be competitive with Shennecossett and may well impact future play levels.

# **Town of Groton Municipal Golf - Overall Operations Review**

The Shennecossett Golf Course has provided golf services to Town of Groton and New London County residents, visitors, and tourists since it became a Town facility in 1967. However, the history of the course dates back to 1898 when it was first opened as a four-hole private golf facility with a clubhouse. Over the next 15 years the number of holes was gradually increased until 1919 when it became an 18-hole championship course redesigned by none other than the preeminent course designer of that era, Donald Ross.

In the following paragraphs, NGF Consulting will note our observations concerning the current operation of the Shennecossett Golf Course, and conclude with a set of recommendations we expect will improve the Town's golf facility operation.

## **ADMINISTRATIVE OVERVIEW**

The Shennecossett golf operation is under the direction of the Town of Groton Department of Parks and Recreation; John Silsby, Director of Parks and Recreation oversees the golf course operation as well as the numerous programs and facilities sponsored and maintained by the department.

Todd Goodhue, Class A, PGA professional oversees the operation of the golf services. Turf maintenance is the responsibility of Eric Morrison, Superintendent of Golf. Both individuals have full time, part time and seasonal staff to perform the various tasks associated with their respective responsibilities.

## **Staffing**

The Town of Groton employs a total of 16 persons to operate and maintain the Shennecossett Golf Course. The golf service operation employs both seasonal and part-time employees who perform tasks such as staffing the pro shop.

There are no industry standards that can be referenced to determine the appropriate staffing levels for a golf operation. The number of staff needed for a particular golf operation depends on several factors. In the total United States, municipal golf facilities with a 10-or-fewer month golf season average 15.3 employees in 2004. Some factors influential in determining appropriate staff:

- The average number of rounds a facility plays each day.
- The types and level of player services provided by the facility.
- The number and size of tournaments and outings or other special events a facility accommodates each day, week or month.
- The physical layout of the facility.
- Training and experience of the employees.
- Level of management supervision.

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### Golf Shop

The employees who work on a seasonal or part-time basis are the cashiers in the pro shop. Volunteers staff the cart operation, starter and ranger positions and are unpaid but receive golf privileges as compensation. Pro shop employees are paid an hourly wage, which can range from \$10.50 to \$11.50 per hour and are also entitled to golf privileges.

A review of the full season staffing schedule provided by the Town revealed that the Golf Professional works a six-day per week schedule. He opens the pro shop in the morning (6 AM April to October and 7 AM during the winter season) and works until 1 PM on weekdays and 12-noon on weekends. Wednesday is scheduled as his day off. On Thursdays and Fridays the golf professional has additional staff support so that he can attend to administrative duties. Despite the occasional help he receives it appears that he has little time to perform all the tasks contained in his job description considering the fact that he is taking tee time reservations, collecting fees, selling merchandise and supervising the volunteers much of the time he is on duty.

Whether by choice or budget limitations the tasks currently being performed by the golf professional are more closely associated to that of a pro shop attendant than those of a golf course manager are. We believe that as the golf course manager and a key staff member of the Parks and Recreation Department, the golf professional should have greater visibility during the greater part of the day the course is open. We do not think the golf manager should start his day so early and leave the facility at mid-day. We believe it would be more appropriate, and more consistent with the compensation package presently in place, for the golf manager to be more focused on efforts that can increase rounds and revenues rather than taking reservations and fees.

### Golf Course Maintenance

Under the direction of the superintendent, the maintenance operation currently employs 6 full time workers including the superintendent. However, one crewmember is currently on paid leave and cannot be replaced for cost reasons due to the union contract. The maintenance crew consists of a chief groundskeeper, equipment mechanic and three groundskeepers. This full-time staff is supplemented by seasonal employees during the summer months.

In general, it appears that the maintenance of the golf course has been limited by the available work force and union restrictions that are in place. The union contract, existing schedules and federal and state labor laws impose limitations on the number of hours that can be worked, rates of pay, and overtime pay for weekends and holidays. Further, the union contract prohibits the golf course superintendent from operating golf maintenance equipment, a policy that is very unusual for a golf course and potentially damaging to the operation. The golf superintendent is typically the most knowledgeable golf maintenance employee, whose skills are needed in a variety of tasks including equipment operation. Given this reality, the golf course operation is forced to operate in a way that may be hampering the Town's ability to get the most service from the money allocated to the golf course maintenance operation. A more detailed description of the maintenance operation is contained in the budget discussion later in this section.

### Course Marshaling/Volunteers

The Shennecossett Golf Course uses volunteers to control play on the course. These volunteer workers receive full season pass privileges as their compensation. According to the

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Shennecossett Golf Course Policy and Procedures Manual (page 4) volunteers are scheduled to work one six-hour shift per week. The workday is divided into three shifts. Shift 1 is 6 AM -12 PM, shift 2 is 9 AM – 3 PM, shift 3 is 12 PM - 6 PM and shift 4 is 3 PM – twilight. NGF Consulting was subsequently advised that the number of shifts have been reduced to the following three 6-12, 9-3 and 3 to close. The usefulness of volunteer marshals cannot be evaluated solely by the number of hours they are on the golf course. Volunteers must be trained Shennecossett Golf Course and well supervised. They must be given policies and procedures that govern a variety of situations they are likely to encounter. They must also have a clear understanding of the authority delegated to them. Many golf operations depend upon volunteers to control the pace of play and to “police” the course.

Information on various pace-of-play methods can be collected from other courses and organizations such as the National Golf Foundation. This material should then be analyzed and refined into a document appropriate for use at the Shennecossett Golf Course. Maintaining a reasonable pace of play at Shennecossett is not easy. Maintaining a well-qualified and adequate number of volunteers is essential to the continued success of the Town’s golf program. It is important that customers receive assistance from the volunteers as well as see them helping other golfers. Another factor that impacts the pace of play at Shennecossett is the condition and difficulty of the golf course. This will be addressed in more detail in the physical evaluation section presented later in this report.

### Job Descriptions

The consultants were provided with copies of golf course related job descriptions. The descriptions are comprehensive and contain all the pertinent information in document of this type. However, it was noted that some of the description have not been updated for several years. We recommend that these descriptions be updated annually and that each employee is given an opportunity to review any changes that are made to the current description at the time of their annual job performance review.

### Compensation and Incentives

In the free enterprise marketplace, incentives are highly effective tools for motivating employees and managers to achieve peak performance. In golf, it is quite common for head professionals and golf course managers to have at least part of their compensation based on the profitability of the golf operations. The advantages of tying the head pro/general manager’s compensation to the revenue of what they control, is to create a high level of motivation to maximize this revenue. As the general manager’s income goes up, so does the municipality’s (or course owner’s).

### Cash Control Procedures

Shennecossett’s cash control procedures are detailed in the policy and procedures manual. This procedure appears to meet all the necessary cash controls to insure the safety of the personnel handling the receipts as well as the deposit of the receipts. However, we do recommend that each day’s receipts be deposited on the day they are received rather than keeping receipts overnight in a safe. Even though this may require multiple trips to the bank, we believe retaining only a small amount of cash at any time at the course will diminish the chances of robbery that can involve the safety of employees.

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## Policies and Procedures

A golf operations manual can be invaluable to management and staff. For staff, it removes any doubt on how sensitive situations should be handled plus answers questions regarding operating policies or procedures. Management can use the manual for the orientation of new employees rather than trying to verbally explain how things should be done. The following are some typical categories that are found in a golf course operations manual. However, it must be emphasized that a golf course operations manual is a customized document that deals with a specific golf facility operation. A golf operations manual's table of contents should include but not be limited to the following:

- General Rules and Regulations
- Hours of Operation/Observed Holidays
- Junior and Senior Play
- School Golf Play
- League Play
- 9-hole Play
- Refunds/Rain Checks/Receipts
- Complimentary Golf Play
- Current Golf Fee Schedule
- Check-in Time for Advance Reservations
- Advance Reservation Policy
- Starting Time Intervals
- Golf Tournaments/Special Use Events
- Advance Reservations for Golf Tournaments
- Fees and Charges for Shot Gun and All Day Tournaments
- Organized Golf Club Play
- Charity Golf Tournaments
- Power and Pull Carts
- Single-Rider Power Cart Rentals
- Access to Golfers with Disabilities & the Americans with Disabilities Act Accessibility Guidelines
- Maintenance Policies and Procedures – Course Closures and Weather Delays
- Golf Course Staff Responsibilities
- Safety / Accident Reporting / Liability
- Lost and Found
- Telephone and Customer Service
- Auditing and Cash Handling Procedures
- Pace of Play Policy
- Dress Code for Employees and Customers
- Policy on Coolers and Ice Chests
- Appendix Materials – Report forms and various other instruction materials

NGF Consulting reviewed the Shennecossett Golf Course Policy and Procedure manual and found it to be a well-prepared, comprehensive document that meets all the criteria that should be contained in such a document. We do recommend however, that the manual be updated annually to make certain that staff is aware of any changes in policy or operation that may have been made from the previous year.

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### Point-of-Sales System

Keeping accurate records of golf fees, merchandise sales and cart rentals is critical to any successful golf facility operation. A new point-of-sales system should be added to the Shennecossett operation as soon as reasonably possible. New systems such as these can cost around \$2,000 and have many outstanding features such as:

- Inventory Control
- Vendor Tracking
- Track Discounts & Gift Certificates
- Integrated POS Hardware Options
- Sales Tax Tracking
- Touch Screen & Programmable Keyboard Options
- Receipt Printing

Another feature is the Member Photo component. A digital picture of each annual fee payer can be taken at the cash register and stored in a database. Each person is given an ID number. When members come into the pro shop to register for play, the cashier puts their ID number into the computer and their picture appears on the cash register's monitor, thus enabling the cashier to easily verify them as an annual fee players. This system eliminates having to produce photo ID cards that are frequently lost, forgotten or destroyed by a washing machine when left in someone's pocket.

### Management Issues and Alternatives

Golf facilities tend to operate best when the administration entity responsible for establishing strategic plans for the operation is close to the golf facility, or even on site. That is to say, the more layers of bureaucracy there are, the more difficult it becomes to manage a golf operation in a competitive golf market, and allow the facility to react to market changes as they manifest themselves. NGF Consulting understands the desire in municipal golf operations for Town Councils, Mayors, Town Managers, Park and Recreation Directors, etc. to want to have a say in municipal golf facility operations. However, this many layers of control tend to hamper the quality of municipal golf operations and makes them inflexible to market realities and facility needs.

In **Appendix D** of this report, NGF Consulting identifies several different types of municipal golf facility management options and compares the advantages and disadvantages of each system. NGF Consulting has made a management recommendation in this report that is consistent with the above noted concerns, as well as the Town's desire to retain close control of this important Town asset.



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### Administrative and Management Recommendations

The consultants recommend the Town consider the following potential changes to the current management of Shennecossett. These changes, while significant, do not reflect a major overhaul of the Town of Groton golf operation. Rather, NGF Consulting has recommended a more streamlined Town operation that involves a restructuring of the Golf Manager position and changing the budgetary process.

1. Bring the authority for golf management closer to the golf course by creating a “Golf Director” position that is based at the golf course, reports directly to Town government (Town Manager), and is compensated based on his ability to generate income from golf rounds and other sales. This income may be further enhanced through a series of incentives paid to him by the Town such as recruiting new tournaments and outings, demonstrating that his efforts have had a decisive impact on membership sales, increased daily fee rounds and that improved customer service has a significant effect on the financial performance of the facility.
2. This plan can be implemented with existing employees and changing responsibilities. This system creates a golf operation where the responsible authority for all golf facility operations is at the golf course and is focused on efforts that can increase rounds and revenues as opposed to taking reservations and fees. This structure would be in place to promote greater entrepreneurial initiative from the manager/pro and help stimulate more rounds and revenue.
3. The budget procedure for Shennecossett should be changed such that budgets are prepared based on the needs to maintain the facility. In recent years, Shennecossett has been preparing annual expense budgets based on projected revenues as opposed to the needs of the facility. This has contributed to declining conditions. Every effort should be made to increase revenues as much as possible, and a plan to recover any possible shortfall should be in place.
4. Re-evaluate the present union contract covering the golf facility maintenance employees, as this agreement is too restrictive. It is strongly suggested that an effort be made to re-negotiate the current contract to: (1) allow the Golf Course Superintendent to work on the course; (2) reduce labor costs to allow for an increase in the size of the permanent staff to eight without a significant increase in cost; (3) permit the use of volunteer labor in specific golf course improvement projects whenever offered; and (4) allow for part-time/seasonal employees to work longer periods of time up to 10 months and operate additional equipment and work more hours/days during the work week. In the event that the Town and the Union are unable to agree upon reasonable changes, the Town should anticipate having to privatize the maintenance operation so that expenses can be reduced and productivity improved.

### Privatization

As part of its review effort, NGF Consulting was asked to review the potential for all or part of the Shennecossett golf operation to be privatized in some way, as outlined by NGF Consulting in **Appendix D**. NGF Consulting believes the Shennecossett Golf Course should be under the control of the Town of Groton, but with decision-making management that is close to the operation. This can be done as outlined above, or with the assistance of a professional golf course management firm that has extensive experience in operating and maintaining municipal golf courses. This may not even necessarily mean that the Town would have to replace the individuals presently managing the golf course, but rather alter the structure of the relationship



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(contractor vs. employee), and allow for some new individuals with golf course marketing experience to be added to the mix. NGF Consulting believes that this management method would not be preferable at the Shennecossett golf operation at this time, but may be required at some point down the road. In short, NGF Consulting sees privatization as a last resort to be utilized only after all attempts to efficiently self operate have not achieved desired results.

Among the reasons why NGF Consulting is not recommending privatization at this time include:

- Loss of control – Town would lose a measure of control over the golf operation as the management entity would push for maximum revenues, even if it offends the Town's most active golfers.
- Shennecossett is in need of various capital improvements and upgrades, as we will identify in this report. Private operators who wish to lease the facility are not likely to make major capital improvement expenditures without first being granted a long-term lease, low annual rent, and/or credit for the improvements against rent payments.

## OPERATIONS REVIEW

### Fees

It is apparent that Shennecossett has made a concerted effort to keep golf fees for members within reasonable limits while taking advantage of market conditions with higher fees for non-residents and non-members. There is a natural inclination to compare fees with other golf courses and for this reason NGF Consulting has surveyed other public access golf courses in the area. Basic fee levels of the 11 key competitors were shown in the previous section of this report.

It should be noted that comparing fees from one golf operation to another could be misleading. When comparisons are made there are a number of variables that can influence golf fees. For example, the cost of maintaining a golf course is influenced by its overall size, its topography, the size of area to be maintained, the size of the greens, the number of bunkers, the type of grasses, the age and design of the irrigation system and finally the level of quality of the playing surfaces. Other issues that must be taken into consideration are the annual debt service if any, the amount of the annual capital improvement budget and the method by which the golf course is being operated. In some instances operators such as municipalities frequently may look to golf course revenues as a means of paying for other non-revenue producing recreation activities. Privately owned public access course owners obviously are in the business to make a profit and the fees at these courses may represent a profit margin of 20 to 30 percent or more.

Finally, course fees are often influenced more by political decisions than business decisions. Some communities such as Groton operate their courses using the special revenue fund system, which obligates the golf course to generate all the revenue needed to pay all the costs associated with the golf operation. Others operate their courses as part of the municipality's general fund, which means that any shortfall in revenue to cover costs is funded by taxes. It is not uncommon for some courses to charge less for a round of golf than the cost of producing a round because fees have been allowed to remain too low.

Many courses offer discounted daily fees at various times of the year. These fees are published in local newspapers, golf publications and advertised on cable television. The goal of offering

## DRAFT

discounted fees is to bring players to the course during periods when play levels decline. This form of marketing is becoming more popular as competition for players increases in many golf markets. Like Shennecossett, many other courses have gone to fee schedules that are discount based on the time of the day. Typically fees are lowered for early morning play, then increased to regular rates mid-morning and then lowered again for afternoon play and further decreased later in the day.

More and more courses are offering golf packages to stimulate play during slow periods. The package may include green fees, cart fees and discounted merchandise as well as food and beverages. Price sensitive customers frequently look for “specials” in golf as well as other areas of consumer spending and they are willing to travel long distances to take advantage of these opportunities. Advertising these “specials” beyond the immediate golf market may attract new customers not only to the course but also to other area attractions such as restaurants and shopping. NGF Consulting recommends Shennecossett management make a more aggressive marketing effort to increase play by attracting price sensitive players during periods when play is slow.

### **Tee Time Reservations**

Shennecossett tee time reservation system is based on the age-old method of accepting reservations by phone or in person. Reservations are taken three days in advance of play. Reservations are taken exactly on the hour the pro shop is to open and not before. Person waiting to make a reservation and callers are alternated. While this method of taking reservations may still be acceptable to management it has a number of deficiencies that have been over come by the ever improving computerized systems on the market. Some of the most glaring deficiencies follow:

1. Reservations are recorded by hand on paper tee sheets, which can be subject to error, loss or damage.
2. Only one reservation can be taken at a time unless addition staff is brought in to assist with taking reservations.
3. Shennecossett has only one telephone number to call for reservations. The number of people who get a busy signal when they call is probably huge.
4. The pro shop opens at 6:00 AM April through October. No doubt the phone is ringing off the hook on most days when the shop opens. But how many potential customers are unwilling or unable to try to make a reservation at that hour of the day?
5. It is assumed and there is no reason not to believe that persons taking tee times are strictly abiding by the rules. However, it is not inconceivable that Shennecossett's rules can be compromised as they have been at many other courses.
6. Persons who are unsuccessful in obtaining a desirable tee time, without any evidence, are often suspect of the system or the persons take the reservations.
7. Reservations can only be made when the pro shop is open.

It is for these reasons that NGF Consulting recommends Shennecossett investigates some of the many computerized tee time reservation systems currently on the market. Some of the advantages of these systems are that they accept phone calls 24 hours a day. The system can be programmed so that reservations can be accepted beginning at a reasonable evening hour rather than an early morning hour. Both annual fee players and green fee players can make reservations in advance of the day of play. Annual fee players can be assigned premium times;

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however green fee players will also have an opportunity to play the course at desirable times. Tee times for tournaments, outings and other events can be prescheduled thus making those tee times unavailable for reservations.

While computerized systems may appear to be complicated and difficult to understand for some people, most courses that have gone to these systems report that their customers quickly adapt to using them and regard them as the most impartial way of reserving tee times.

### Telephone Handling Systems and Procedures

There one line into Shennecossett pro shop. The restaurant and maintenance office also have separate numbers that go directly to those areas. The phone system, while functional can be burdensome for the public to access the type of information they may want. State-of-the-art systems have only one number to dial and then give the callers several choices that enables them to make a tee time reservation, speak to the pro shop or access other choices with only one call. These systems also have multiple lines that virtually eliminate busy signals. The consultants recommend that the Town investigate the feasibility of upgrading its phone system at the Shennecossett Golf Course.

### Customer Service

The Shennecossett staff appeared to the consultants to be generally attentive to the needs and interests of the customers. They were friendly, helpful and displayed pride in the tasks they were performing. However, given the small size of the staff there were customer indications that the workers at this facility may be “stretched a little thin” in that there was just too much to do to really provide the most outstanding service. Overall, this issue does not appear to be a problem at Shennecossett. Responses to the NGF CLASP survey (more detail in later section) showed that customers rate the “staff friendliness” very high compared to other golf courses in this market area.

### Golf Carts

Shennecossett recently entered into an agreement to lease purchase 45 golf carts and three utility vehicles. The carts are gasoline powered and are stored in a building that is only large enough to accommodate half the fleet. The remainder of the carts are stored out side. The carts were found to be in good condition and basically well maintained. There were an ample number of carts in the staging area at all times.

After its review of the lease purchase contract document, NGF Consulting determined that it is an agreement that is standard in the industry and that it has no conditions that are unfavorable to Shennecossett.

### Tournaments and Outings

Tournaments and outings should be a primary focus for Shennecossett operators. Tournaments provide two important functions: 1) they are an excellent revenue generator, especially for off-peak times and 2) they generate exposure to the facility from golfers whom otherwise may never have played the course. Tournaments and outings can bring new customers to a golf facility but can also discourage existing clientele if they “take over a facility”. Care must be taken when scheduling these groups that they do not turn away other golfers.

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The policy and operations manual contains policies and procedures regarding scheduling tournaments and other special events at Shennecossett. NGF Consulting recommends management develop a more comprehensive set of written policies and procedures that will include but not be limited to the following:

- What days of the week is the course available for these activities?
- How many events can be booked each day?
- Will the event result in the course being closed to daily fee play?
- What services are available and what will be the fees for these services? For example, long drive contest, closest to the pin contest, scoring services, etc.
- How far in advance will reservations for these events be taken?
- Is a deposit required to schedule an event?

NGF Consulting considers the activity generated by tournaments, outings and leagues essential to the financial performance Shennecossett. Every effort should continue to be made to balance the use of the facility by these events as well as daily fee players.

The head pro is given overall responsibility for tournaments. After an outing has been scheduled it should be his responsible for seeing to it that all the services the client contracted for are delivered. On the day of the outing the head pro should be at the course to greet the group, introduce the staff and make certain that any last minute details are addressed. The head pro literally holds the client's hand throughout the event. After the event, the head pro should obtain a written evaluation from the client.

Providing this level of service for a golf outing could very well lead to the client booking other non-golfing events such as holiday parties or retirement lunches. Satisfied participants are likely to tell friends and family about their experience at Shennecossett, which should result in a ripple effect on future business. Many public access golf courses are now promoting their facilities by using the services of a marketing person who's responsibility it is to seek out businesses, organizations and other groups to hold their annual golf outing or tournament at their course. It would be appropriate to compensate a marketing person based on a percentage of the total revenue derived from an outing, including the sale of gift certificates, pro shop merchandise, food and beverage sales, player clinics and tournament services. This form of compensation will be an incentive to sell a complete package of services.

## MARKETING AND PLAYER ENHANCEMENT RECOMMENDATIONS

As a result of the competition for players by many of the courses in Groton area, particularly the newer facilities that have opened in recent years, NGF Consulting believes Shennecossett is going to have to use a very proactive method of attracting non-member rounds, particularly on weekdays. Many courses are becoming more aggressive in their efforts to attract outings and tournaments as well as daily fee play. Rather than waiting for potential outing clients to contact the course, many courses find it is more productive if a representative of the facility visits potential clients and provides them with a personalized description of the facility and services it can provide. A tour of the facility is often arranged along with a list of references from groups who have held events at the course.

## DRAFT

In this section of our report, NGF Consulting will identify key activities underway at Shennecossett that attempt to stimulate greater activity at the facility. We will conclude this section with a set of recommendations designed to increase activity at Shennecossett and thereby improve revenues.

The Shennecossett Golf Course's present marketing strategy consists mainly of advertising in a few local media and submitting a "yellow pages" advertisement. Our review revealed that only a modest effort is being made to promote and advertise the facility using various print media sources. Shennecossett does allow for some tournaments, although the course does restrict when these events can occur. The consultants recognize that Shennecossett already hosts a number of tournaments and outings that represent a significant portion of the annual golf activity. In addition the course plays host to clubs and leagues.

It is NGF Consulting's recommendation that Shennecossett management develop a marketing strategy that will insure a balance between the number of green fee players and members is maintained and that maximum utilization of the facility is achieved. An unused tee time is lost forever. Management should not lose sight of the fact that a lost tee time can never be reclaimed. Every effort should be made to "bring" golfers to Shennecossett rather than waiting for them to arrive. NGF Consulting's player enhancement recommendations generally fall under one of several categories of action to be taken by the management of the Shennecossett Golf Course. These include a tournament/outing strategy, a tourist/visitor strategy, website strategy, new player development, and other marketing ideas. It is the hope of NGF Consulting that the Town will implement as many of these recommendations as are feasible and consistent with the Town's facility goals and desires.

### Tourists

Tourists should be one of the primary targets for any golf course in southeastern Connecticut. Tourists are much less price sensitive than local golfers and will be willing to pay rack rates to play an outstanding course, such as Shennecossett. The course lends itself readily to tourist play. The strategy to increase tourist play includes the following:

1. Developing a Brochure
2. Hotels

### Brochure

A "rack" brochure will need to be developed. This brochure will be designed so that it fits in the racks that are present at hotels, restaurants, rest areas, and other tourist stops.

The brochure will feature color photos of the course, a reproduction of the scorecard and testimonials. The brochure should be professionally designed and produced. ***Estimated cost: \$7,500.***

We would recommend that two different versions of the brochure be prepared. One would feature a \$5 off regular rate coupon and the other would have no coupon. These coupons should further be coded (which can be done manually) so that the location where the brochure was placed can be identified. (This can be done by using different colored pens and placing small marks on the coupon). In this manner, the effectiveness of the brochures and the various locations can be monitored.

## DRAFT

### Hotels and Motels

Of course, the best way to reach tourists is to get them where they stay. And most of them will be staying at area hotels and motels. In addition to supplying each hotel and motel with the above-described brochure, several additional steps should be taken to increase the amount of play:

- **Golf Packages:** Golf packages can be developed with selected hotels whereby golfers pay a fee that covers both the hotel and the round of golf. These packages can be jointly sold by the hotel and by the course (primarily through the website).
- **Personal Attention:** Each area hotel and motel should be personally called upon by the General Manager or the Head Pro to develop a relationship with the manager and concierge (if any). Attention should also be paid to the counter help as they are often the ones asked for recommendations. All contacts could be given a pass to come out and play the course for free. Consideration should be given to having a hotel event at the golf course where all the hotel people are invited out for a cook out, with a related golf tournament for those that play.
- **Information Page:** An information page should be developed about the golf course that can be included in the information books at the hotels. These are typically 8 ½ by 11 in size. These pages would then be distributed by the person calling on the hotel/motel.

### Website

Golfers are more and more becoming Internet savvy and turning to the web when searching for places to play. This is especially true for tourists who are traveling into a market. The internet is also beginning to take a larger role with local play as noted with competing Norwich Golf Course which indicated its website was its number one marketing tool.

The Town should create a Shennecossett website modeled after the Norwich site ([www.norwichgolf.com](http://www.norwichgolf.com)). This site provides very complete information about the golf course, fees, memberships, groups, clubs, etc. The Town could link the Shennecossett site to its own Town website as well. The site could be set up in such a way so as to be easily found by the various search engines – i.e. “golf in Connecticut” or even “Foxwoods Golf.”

***Estimated cost: \$1,000.***

### Player Development Programs

NGF Consulting recommends Shennecossett offer a more aggressive series of instruction programs that makes a greater effort to introduce new players of all ages to the game as well as providing more experienced players with learning opportunities to elevate their skills. There are several reasons for this recommendation:

- Introducing new players to the game can increase equipment and merchandise sales.
- New players mean new green fee and cart customers.



## DRAFT

“Growing your own customers” has become a recent challenge for many golf operations, particularly those faced with increasing market competition from other courses. We recommend that management develop a plan to grow more Shennecossett customers of all ages.

### Other Marketing

- **Billboard:** Any signage that can be implemented should be considered along any of the main thoroughfares in southeast Connecticut.
- **Radio:** Radio is not a proven effective marketing tool. Although some exceptions exist – such as sponsoring golf-related programming. However, radio stations are known to enjoy trading airtime for golf fees. Based on the CLASP survey, we will be able to determine the radio stations that are most listened to by Shennecossett golfers and thus be able to direct any efforts towards trade with these stations.
- **Package Deals:** In an effort to enhance perceived value to the customer without sacrificing fees, the Town should work with its food and beverage lessee to offer combined food and golf packages such as “Golf and Lunch” specials.

### FOOD AND BEVERAGE SERVICES

The food and beverage operation at Shennecossett consists of full restaurant plus snack bar and lounge. The operation is run by “Par 4” under a lease agreement with the Town of Groton that calls for Par 4 to pay \$20,000 per year to the Town. NGF Consulting has reviewed the Restaurant Lease Agreement dated July 1, 2002 and found it to be a comprehensive agreement that clearly outlines duties and responsibilities of the parties. There is some ambiguity about which party is responsible for improvements to the clubhouse building, but it seems that Par 4 has undertaken upgrades to certain aspects of the kitchen, basement and outdoor veranda on their own and at their own expense. The lead proprietors of Par 4 are on hand most of the time and tend to manage the operation very closely to ensure a high level of quality. Food and beverage operations of this type tend to be money losers for municipalities, so the \$20,000 revenue from the operation should be welcome.

In all it appears to the consultants that this arrangement has worked very well at Shennecossett, and should be continued through the end of the current lease (July 2007) and possibly beyond. The facility customers have rated the food and beverage operation very high compared to other golf facilities in the market (discussed in later section), and the operation is open for more than just golfers. Par 4 does a good amount of catering business and is also open for food service to patrons not at the facility for golf. Par 4 also indicated to the consultants that they do a lot of marketing and promotion on their own, working in particular with the local Pfizer plant to stimulate a large lunch crowd and for some events/parties.



## SHENNECOSSETT GOLF COURSE DATA ANALYSIS

The Town of Groton Parks and Recreation Department has supplied the consultants with a variety of documents and reports including copies of annual budgets and monthly reports on rounds activity for the past five fiscal years. This data has been analyzed in the following paragraphs.

### Activity Levels

Shennecossett Golf Course has average slightly more than 36,000 rounds of golf during the past five fiscal years. The average number of green fee rounds for the five-year period is more than the average number of membership rounds. However, as the average percentage of total rounds, green fee rounds have increased by some 7.3 percent from 2000 and membership rounds have decreased by the same amount.

Rounds of Golf					
Fiscal Year	Green Fee Rounds	% of Total	Membership Rounds	% of Total	Total Rounds
2000	16,715	46.2%	19,438	53.8%	36,153
2001	17,564	51.4%	16,580	48.6%	34,144
2002	22,845	53.7%	19,696	46.3%	42,541
2003	19,569	57.5%	14,420	42.5%	33,989
2004	19,961	58.8%	13,968	41.1%	33,947
<b>Average</b>	<b>19,331</b>	<b>53.5%</b>	<b>16,824</b>	<b>46.5%</b>	<b>36,155</b>

### Comparative Utilization

A course's *theoretical capacity* is determined by multiplying the number of available tee times (utilizing only the first tee as the starting hole) in an hour by the number of hours of daylight, minus two hours, multiplied by the maximum number of players in a group, usually a foursome. The consultants were told that the tee time intervals at Shennecossett alternate between eight and nine minutes, which compute to seven tee times per hour.



## DRAFT

The *actual capacity* of a course takes into account the loss of tee times for weather, unplayable conditions, cancellations, no-shows, groups of less than four players, and other reasons a golf course would never actually play the *theoretical capacity*. Determining the *actual capacity* for a given course is difficult if not impossible to calculate because most courses differ in physical characteristics and management procedures. For example, a course that has paved cart paths and good drainage can quickly resume play after a heavy rain; whereas a course that does not have paved cart paths and/or has poor drainage may have to suspend play for several hours or the entire day. Some courses in the northeast close for the winter, while others such as Shennecossett allow play year round, weather permitting.

In summary we can see that Shennecossett's Five Year Average of Rounds Played is well below the *theoretical capacity*, and only during the months of June through September did utilization exceed 50 percent of *theoretical capacity*. Caution must be taken not to over estimate the number of rounds that can be achieved, during these months, when making future activity and budget projections. A basic comparison with municipal golf courses nationally as derived from 2003 actual results shows the following:

Rounds Played 2003					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	27,500	26,860	27,500	24,020	34,510
Median	35,390	39,830	33,720	29,220	40,930
Top 25 Percent	44,730	58,170	40,680	36,400	53,240
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

### Facility Performance and Ratio Analysis

NGF Consulting was given copies of Shennecossett Golf Course budgets for fiscal years 1998 through 2004. This data was of value in identifying the historical revenues and expenses associated with the golf course operation. Following are a series of tables developed by NGF Consulting that summarize the golf course financial and activity data provided by the Parks and Recreation Department, along with comparison tables of data gathered during our 2004 research on facility performance of U.S. golf municipal courses during in 2003.

Comparison of Expense Budgets to Expenditures and Revenue Budgets to Revenue Realized				
Fiscal Year	Adopted Expense Budget	Actual Expenditures	Adopted Revenue Budget	Actual Revenue
2000	\$1,091,672	\$1,062,960	\$1,131,265	\$1,090,642
2001	\$1,080,867	\$1,026,312	\$1,082,375	\$911,434
2002	\$1,144,095	\$1,053,068	\$1,146,300	\$1,053,069
2003	\$1,242,653	\$1,051,212	\$1,247,075	\$924,108
2004	\$1,177,545	\$992,817	\$1,182,594	\$994,932
<b>5 Year Average</b>	<b>\$1,147,366</b>	<b>\$1,037,274</b>	<b>\$1,157,922</b>	<b>\$994,837</b>
<b>Expenditures and revenue for 2004 are unaudited</b>				

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This table illustrates the similarities and differences between the Adopted Expense and Revenues and the Actual Expenses and Revenues. In 2000 and 2001 the actual expenses and revenues are very close to the adopted figures. However, beginning in 2002 and particularly in 2003, there is a great disparity between the adopted budgets and the actual expenses and revenues. It is apparent that in both years spending was reduced from the approved budget amounts in anticipation of revenue shortfalls. Still, the actual amount budgeted is consistent with the national median for golf facilities with a 10-12 month season, but much higher than those with a shorter playing season. Average performance of municipal golf facilities nationwide are shown below:

<b>Total Expenses 2003</b>					
	<b>U.S.</b>	<b>Season</b>		<b>Total Revenue</b>	
		<b>10-12 mos.</b>	<b>&lt;10 mos.</b>	<b>Below \$1.0 mm</b>	<b>Above \$1.0 mm</b>
Bottom 25 Percent	578,780	657,540	577,530	461,250	960,520
Median	851,350	<b>1,051,620</b>	778,090	586,950	1,224,090
Top 25 Percent	1,233,930	1,385,310	1,113,400	718,370	1,670,060
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

In 2002 equilibrium between expenses and revenues was achieved, however in 2003, despite a \$191,441 reduction in spending, the shortfall in revenues resulted in a \$121,458 operating deficit. The unaudited figures for 2004 show only a slight increase in revenue over expenditures, but the golf course fund did not produce the anticipated surplus of \$43,649 for FYE 2004 based on a financing plan that was developed to replenish the fund balance in three years.

<b>Comparison of Green Fees and Membership Revenue to Total Revenue</b>					
<b>Fiscal Year</b>	<b>Green Fees</b>	<b>% of Total Revenue</b>	<b>Memberships</b>	<b>% of Total Revenue</b>	<b>Total Revenue</b>
2000	\$444,267	40.7%	\$305,841	28.0%	\$1,090,642
2001	\$461,166	50.6%	\$299,101	32.8%	\$911,434
2002	\$545,863	51.8%	\$319,764	30.4%	\$1,053,069
2003	\$471,541	51.0%	\$277,042	30.0%	\$924,108
2004	\$537,190	54.0%	\$273,621	27.5%	\$994,932
<b>5 Year Average</b>	<b>\$492,005</b>	<b>49.5%</b>	<b>\$295,073</b>	<b>29.7%</b>	<b>\$994,837</b>
<b>Expenditures and revenue for 2004 are unaudited</b>					

The above table illustrates that 49.5 percent of the average total revenue for the past 5 years from comes from daily green fees and that membership revenue accounts for 29.7 percent of the average total revenue. The remaining revenue comes from Cart Rentals, Miscellaneous,

## DRAFT

and Interest, Payments from Other Funds, and money that may be applied from the Fund Balance.

Comparison to average figures for U.S. municipal golf courses show actual revenues at Shennecossett are consistent with the national median for golf facilities with a 10-12 month season, but much higher than those with a shorter playing season.

<b>Total Revenue 2003</b>					
	<b>U.S.</b>	<b>Season</b>		<b>Total Revenue</b>	
		<b>10-12 mos.</b>	<b>&lt;10 mos.</b>	<b>Below \$1.0 mm</b>	<b>Above \$1.0 mm</b>
Bottom 25 Percent	625,690	671,360	616,870	500,000	1,170,000
Median	983,580	1,030,470	980,000	643,030	1,457,820
Top 25 Percent	1,433,280	1,683,530	1,349,520	857,510	1,889,750
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

Over the five-year period, green fee revenue has increased annually by over \$92,000. It should be noted that in 2000 the percentage of green fee revenue is far below the average as a result of an unusually large (\$217,374) amount of revenue credited to the Miscellaneous (\$127,824) and the Payments from Other Funds (\$89,550) categories. If the revenue in these categories had been consistent with the other years, the five-year average green fee revenue would increase to slightly over 50 percent of total revenues. The influence of this anomaly can also be observed in the following tables. Membership revenue ranged from \$273,612 to \$319,764. It declined in 2001, then increased in 2002, and proceeded to hit a low point in 2004.

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Comparison of Green Fee Revenue to Green Fee Rounds		
Fiscal Year	Percent of Total Green Fee Revenue	Percent of Total Green Fee Rounds
2000	40.7%	46.2%
2001	50.6%	51.4%
2002	51.8%	53.7%
2003	51.0%	57.5%
2004	54.0%	58.9%
<b>5 Year Average</b>	<b>49.6%</b>	<b>53.5%</b>

The above table illustrates that the average percentage of green fee revenue and the average percentage of green fee rounds are fairly close where as the following table illustrates that the average percentage of membership rounds far exceeds the average percentage of membership revenue.

Comparison of Membership Revenue to Membership Rounds		
Fiscal Year	Percent of Total Membership Revenue	Percent of Total Membership Rounds
2000	28.0%	53.8%
2001	32.8%	48.6%
2002	30.4%	46.3%
2003	30.0%	42.5%
2004	27.5%	41.1%
<b>5 Year Average</b>	<b>29.7%</b>	<b>46.5%</b>

Comparison of Cart Rounds and Revenue to Total Rounds and Revenue						
Fiscal Year	Total Revenue	Cart Revenue	Percent of Total Revenue	Total Rounds	Cart Rounds	Percent of Total Rounds
2000	\$1,090,642	\$122,792	11.3%	36,153	10,732	29.7%
2001	\$911,433	\$126,457	13.9%	34,144	10,625	31.1%
2002	\$1,053,069	\$167,776	15.9%	42,541	14,262	33.5%
2003	\$924,108	\$154,572	16.7%	33,989	14,420	42.4%
2004	\$994,932	\$155,828	15.7%	33,947	12,540	36.9%
<b>Average</b>	<b>\$994,836</b>	<b>\$145,485</b>	<b>14.7%</b>	<b>36,155</b>	<b>12,516</b>	<b>34.7%</b>
<b>Expenditures and revenue for 2004 are unaudited</b>						

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## Revenue Generation

Cart usage and the resulting revenue generated from rentals is a significant component of the golf course operation. On average, slightly more than one third of the golf rounds are cart rounds, which generate almost 15 percent of the total revenue. Of interest is the fact that despite a significant reduction (8,552) in golf rounds in FY2003, cart rentals increased (158) slightly.

Average Income per Round of Golf			
Fiscal Year	Total Revenue	Total Rounds	Average Per Round
2000	\$1,090,642	36,153	\$30.17
2001	\$911,433	34,144	\$26.69
2002	\$1,053,069	42,541	\$24.75
2003	\$924,108	33,989	\$27.19
2004	\$994,932	33,947	\$29.31
<b>Average</b>	<b>\$994,836</b>	<b>36,155</b>	<b>\$ 27.62</b>
<b>Expenditures and revenue for 2004 are unaudited</b>			

This table illustrates the average income per round from all revenue sources. Revenue, rounds and average income per round fluctuate with significant differences from year to year.

Average Income per Cart Round Rental			
Fiscal Year	Cart Revenue	Cart Rounds	Average Per Round
2000	\$122,792	10,732	\$11.44
2001	\$126,457	10,625	\$11.90
2002	\$167,776	14,262	\$11.76
2003	\$154,572	14,420	\$10.72
2004	\$155,828	12,540	\$12.43
<b>Average</b>	<b>\$145,485</b>	<b>12,516</b>	<b>\$11.65</b>
<b>Expenditures and revenue for 2004 are unaudited</b>			

This table illustrates the average income per cart rental. Revenue reached a low in 2000 and a high in 2002. The following two tables illustrate the average income per round when green fee and membership revenues are combined with cart revenue.

## DRAFT

Average Income per Round from Green Fees and Cart Revenue				
Fiscal Year	Green Fees	Green Fee Rounds	Average Per Round	Average Including Cart Revenue
2000	\$444,267	16,715	\$26.58	\$38.02
2001	\$461,166	17,564	\$26.26	\$38.16
2002	\$545,863	22,845	\$23.89	\$35.66
2003	\$471,541	19,569	\$24.10	\$34.82
2004	\$537,190	19,961	\$26.91	\$39.34
<b>Average</b>	<b>\$492,005</b>	<b>19,331</b>	<b>\$25.55</b>	<b>\$37.20</b>
Expenditures and revenue for 2004 are unaudited				

Average Income per Round from Membership Fees and Cart Revenue				
Fiscal Year	Memberships	Rounds	Average Per Round	Average Per Rounds Membership & Cart
2000	\$305,841	19,438	\$15.73	\$27.18
2001	\$299,101	16,580	\$18.04	\$29.94
2002	\$319,764	19,696	\$16.23	\$28.00
2003	\$277,042	14,420	\$19.21	\$29.93
2004	\$273,621	13,986	\$19.56	\$31.99
<b>Average</b>	<b>\$295,073</b>	<b>16,824</b>	<b>\$17.75</b>	<b>\$29.41</b>
Expenditures and revenue for 2004 are unaudited				

### Cost of Production

Golf facilities are like any other business enterprise in that the facilities operate under the restrictions of “production costs,” that is, costs associated with “producing” a round of golf. In the golf facility industry, most of the production costs are fixed and will be required regardless of how many rounds are played. NGF Consulting has derived from Shennecossett data that the total cost of production was \$1.05 million in FY 2003. Given this amount, the cost-of-production ratios are as follows:

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Average Cost of Producing a Round of Golf			
Fiscal Year	Total Expenditures	Total Rounds	Average Per Round
2000	\$1,062,960	36,153	\$29.40
2001	\$1,026,312	34,144	\$30.06
2002	\$1,053,068	42,541	\$24.75
2003	\$1,051,212	33,989	\$30.93
2004	\$992,817	33,947	\$29.25
<b>Average</b>	<b>\$1,037,273.</b>	<b>36,155</b>	<b>\$28.88</b>
Expenditures and revenue for 2004 are unaudited			

It costs the Town of Groton golf operation between \$25 and \$30 to produce each round of golf at the subject facility and at the standard presently being met. This does not assume that the total \$1.05 million being spent to operate and maintain these golf facilities are sufficient to produce the desired standard (we will discuss this in greater detail in the next section).

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## Summary of Rounds Activity and Golf Revenues

Fiscal Year	2000	2001	2002	2003	2004	Averages
Theoretical Capacity	96,236	96,236	96,236	96,236	96,236	96,236
Total Rounds Played	36,153	34,144	42,541	33,989	33,947	36,155
Percentage of Theoretical Capacity	35.7%	33.3%	42.8%	33.2%	35.3%	36.1%
Green Fee Rounds	16,715	17,564	22,845	19,569	19,961	19,331
Green Fee Rounds as a Percentage Total Rounds	46.2%	51.4%	53.7%	57.5%	58.9%	53.5%
Membership Rounds	19,438	16,580	19,696	14,420	13,986	16,824
Membership Rounds as a Percentage Total Rounds	53.8%	48.6%	46.3%	42.5%	41.1%	46.5%
Green Fee Revenue	\$444,267	\$461,166	\$545,863	\$471,541	\$537,190	\$492,005
Membership Revenue	\$305,841	\$299,101	\$319,764	\$277,042	\$273,621	\$295,073
Cart Revenue	\$122,792	\$126,457	\$167,776	\$154,572	\$155,828	\$145,485
Other Revenue	\$217,743	\$24,709	\$19,666	\$20,953	\$28,293	\$62,272
Total Revenue	\$1,090,642	\$911,433	\$1,053,069	\$924,108	\$994,932	\$994,836
Average Revenue Per Round	\$30.17	\$26.99	\$24.75	\$27.19	\$29.31	62
Total Expenses	\$1,062,960	\$1,026,312	\$1,053,068	\$1,051,212	\$992,817	\$1,037,273
Average Expense Per Round	\$29.40	\$30.06	\$24.75	\$30.93	\$29.25	\$28.88
Average Net Revenue Per Round	\$0.77	(\$3.71)	\$0	\$0.90	\$0.05	(\$0.41)
Average Revenue Per Round From Green Fees	\$26.58	\$26.26	\$23.89	\$24.10	\$26.91	\$25.55
Average Percentage of Green Fee Revenue of Total Revenue	40.7%	50.6%	51.8%	50.0%	54.0%	49.6%
Average Revenue Per Round From Membership Fees	\$15.73	\$18.04	\$16.23	\$19.21	\$19.56	\$17.75
Average Percentage of Membership Revenue of Total Revenue	28.0%	32.8%	30.4%	30.0%	27.5%	29.7%
Per Round Difference Between Green Fees and Membership Revenues	\$10.85	\$8.22	\$7.66	\$4.89	\$7.35	\$ 7.79
Average Revenue Per Round From Cart Fees	\$11.44	\$11.90	\$11.76	\$10.72	\$12.43	\$11.65
Average Revenue Per Round From Green Fees & Cart Fees	\$38.02	\$38.16	\$35.66	\$34.82	\$39.34	\$37.20
Average Revenue Per Round From Membership Fees & Cart Fees	\$27.18	\$29.94	\$28.00	\$29.93	\$31.99	\$29.41



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## Revenue and Expense Analysis for the Past Five Fiscal Years

NGF Consulting examined the performance of the Town of Groton golf operation for the past five fiscal years to determine what trends have occurred that may influence its future performance. The following tables are a consolidated summary of the data given to the consultants.

### Annual Membership Fee Schedules – 1999 to 2004

Annual Membership Fees							
Resident							
	1999	2000	2001	2002	2003	2004	6 YR Increase
Adult Regular	\$950	\$1,045	\$1,045	\$1,045	\$1,095	\$1,170	23.2%
Adult Economy	\$665	\$765	\$765	\$765	\$805	\$860	29.3%
Senior	\$565	\$650	\$650	\$650	\$680	\$725	28.3%
Family/Full	\$1,600	\$1,840	\$1,840	\$1,840	\$1,930	\$2,065	29.1%
Family/2 Person	\$1,450	\$1,668	\$1,668	\$1,668	\$1,750	\$1,870	29.0%
Youth	\$210	\$230	\$230	\$230	\$240	\$255	21.4%
Non-Resident							
Adult Regular	\$1,030	\$1,205	\$1,205	\$1,205	\$1,265	\$1,355	31.6%
Adult Economy	\$700	\$765	\$765	\$765	\$885	\$945	35.0%
Senior	\$720	\$805	\$805	\$805	\$845	\$905	25.7%
Family/Full	\$1,545	\$1,927	\$1,927	\$1,927	\$2,125	\$2,275	47.2%
Family/2 Person	\$1,715	\$1,777	\$1,777	\$1,777	\$1,925	\$2,065	20.4%
Youth	\$210	\$242	\$242	\$242	\$265	\$285	35.7%

The table above illustrates that resident annual membership fees were increased only moderately over the past six years, chiefly due to the fact that increases occurred in only three of the six years. The percentage of increases ranged from 21.4 percent for youth memberships to 29.3 percent for full family memberships.

However, non-resident membership fees increases were larger and more varied ranging from 20.4 percent for a 2 person family membership to 47.2 percent for a full family membership.

# DRAFT

<b>Annual Membership Fees Comparisons Resident Vs. Non-Resident</b>							
	1999	2000	2001	2002	2003	2004	6 YR Increase
Adult Regular	\$950	\$1,045	\$1,045	\$1,045	\$1,095	\$1,170	23.2%
Adult Regular NR	\$1,030	\$1,205	\$1,205	\$1,205	\$1,265	\$1,355	31.6%
Adult Economy	\$665	\$765	\$765	\$765	\$805	\$860	29.3%
Adult Economy NR	\$700	\$765	\$765	\$765	\$885	\$945	35.0%
Senior	\$565	\$650	\$650	\$650	\$680	\$725	28.3%
Senior NR	\$720	\$805	\$805	\$805	\$845	\$905	25.7%
Family/Full	\$1,600	\$1,840	\$1,840	\$1,840	\$1,930	\$2,065	29.1%
Family/Full NR	\$1,545	\$1,927	\$1,927	\$1,927	\$2,125	\$2,275	47.2%
Family/2 Person	\$1,450	\$1,668	\$1,668	\$1,668	\$1,750	\$1,870	29.0%
Family/2 Person NR	\$1,715	\$1,777	\$1,777	\$1,777	\$1,925	\$2,065	20.4%
Youth	\$210	\$230	\$230	\$230	\$240	\$255	21.4%
Youth NR	\$210	\$242	\$242	\$242	\$265	\$285	35.7%

This table illustrates there is a great deal of inconsistency in the percentage of increases in the six years between the resident and non-resident fee categories. For example, increases in the resident Adult Regular, Adult Economy, Full Family and Youth categories were much less than the non-resident increases. However in the resident Senior and 2 Person Family categories, the increases were larger than the non-resident increases. It appears that no consistent ratio was used to establish resident and non-resident membership fees.

The following tables illustrate the number of memberships sold and the revenue generated from each membership category for each of the past five calendar years. Year to date sales and revenue for FY2004 are not included in these tables since the calendar year does not end until December 31.

# DRAFT

## Annual Membership Sales by Calendar Year

Annual Membership Sales							
Resident							
	1999	2000	2001	2002	2003	5 Year Average	5 Year + or (-)
Adult Regular	71	67	55	71	59	64.6	(12)
Adult Economy	20	15	7	13	15	14	(5)
Senior	70	61	43	46	44	52.8	(26)
Family/2 Person	19	14	13	16	12	14.8	(7)
Family/Full	4	4	2	2	1	2.6	(3)
Youth	21	16	10	14	10	14.2	(11)
<b>Sub Total</b>	<b>205</b>	<b>177</b>	<b>130</b>	<b>162</b>	<b>141</b>	<b>163</b>	<b>(64)</b>
Non-Resident							
Adult Regular	71	53	53	59	48	56.8	(23)
Adult Economy	24	25	21	22	12	20.8	(12)
Senior	72	50	57	67	60	61.2	(12)
Family/2 Person	12	12	8	12	7	10.2	(5)
Family/Full	2	1	5	1	0	1.8	(2)
Youth	30	18	14	21	26	21.8	(4)
<b>Sub Total</b>	<b>211</b>	<b>159</b>	<b>158</b>	<b>182</b>	<b>153</b>	<b>172.6</b>	<b>(58)</b>
<b>Totals</b>	<b>416</b>	<b>336</b>	<b>288</b>	<b>344</b>	<b>294</b>	<b>335.6</b>	<b>(122)</b>

# DRAFT

## Annual Membership Revenue by Calendar Year

Annual Membership Revenue						
Resident						
	1999	2000	2001	2002	2003	5 Year + or (-)
Adult Regular	\$66,785	\$69,760	\$56,430	\$74,195	\$64,605	(\$2,180)
Adult Economy	\$13,965	\$11,475	\$5,915	\$9,945	\$12,075	(\$1,890)
Senior	\$39,210	\$40,300	\$27,950	\$29,900	\$29,720	(\$9,490)
Family/2 Person	\$27,550	\$17,007	\$21,684	\$26,688	\$21,000	(\$6,550)
Family/Full	\$6,400	\$5,715	\$3,508	\$3,680	\$1,750	(\$4,650)
Youth	\$4,200	\$3,910	\$2,300	\$3,320	\$2,400	(\$1,800)
<b>Sub Total</b>	<b>\$158,110</b>	<b>\$148,167</b>	<b>\$117,787</b>	<b>\$147,728</b>	<b>\$131,550</b>	<b>(\$26,560)</b>
Non-Resident						
Adult Regular	\$73,130	\$63,865	\$63,865	\$71,065	\$60,720	(\$12,410)
Adult Economy	\$17,280	\$20,700	\$17,765	\$18,216	\$10,620	(\$6,660)
Senior	\$50,400	\$40,355	\$45,885	\$53,935	\$50,700	\$300
Family/2 Person	\$18,540	\$26,001	\$14,216	\$21,324	\$13,475	(\$5,065)
Family/Full	\$3,315	\$1,972	\$9,080	\$1,972	\$0	(\$3,315)
Youth	\$6,930	\$4,356	\$3,388	\$5,082	\$6,890	(\$40)
<b>Sub Total</b>	<b>\$169,595</b>	<b>157,249</b>	<b>\$154,199</b>	<b>\$171,594</b>	<b>\$142,405</b>	<b>(\$27,190)</b>
<b>Total</b>	<b>\$327,705</b>	<b>\$305,416</b>	<b>\$271,986</b>	<b>\$319,322</b>	<b>\$273,955</b>	<b>(\$53,750)</b>

These tables illustrate that both the number of membership sales and revenues despite fee increase, experienced over all net losses from 1999 to 2003. Sales and revenue decreased in 2000 from the previous year and again in 2001, but increased in 2002, only to decrease once again in 2003.

Non-resident membership sales surpassed resident sales in each of the years. Over the five-year period there was a total net loss of 122 memberships of which 64 were resident memberships and 58 were non-resident memberships. Despite fee increases in 2000, 2002 and 2003 net revenue also decreased \$53,750. Resident membership revenue declined \$26,560 and non-resident revenue declined \$27,190.

# DRAFT

## Fiscal Year Budget History

Personnel Services	Actual FYE 2000	Actual FYE 2001	Actual FYE 2002	Actual FYE 2003	Estimated FYE 2004	Adopted FYE 2005
5101 Regular Full Time	\$338,410	\$334,607	\$341,660	\$311,137	\$300,918	\$372,806
5102 Part Time Personnel	\$11,950	\$15,080	\$16,446	\$18,614	\$20,134	\$18,100
5103 Seasonal Personnel	\$45,641	\$49,413	\$54,502	\$44,643	\$41,469	\$56,740
5104 Overtime Pay	\$23,705	\$30,146	\$31,981	\$34,124	\$32,899	\$35,900
5105 Longevity Pay	\$2,303	\$2,245	\$2,375	\$2,475	\$2,565	\$2,655
5109 Salary Adjustments	\$2,541	\$3,581	\$0	\$4,602	\$0	\$0
5111 Premium Pay	\$172	\$36	\$286	\$4,488	\$7,076	\$7,500
5116 Wage Continuation	\$10,489	\$792	\$14,699	\$18,589	\$15,301	\$0
5117 Allowances (Clothing & Shoes)	\$650	\$1,360	\$1,440	\$1,280	\$1,250	\$1,960
5151 Social Security	\$0	\$33,200	\$35,573	\$33,636	\$31,946	\$37,918
5152 Retirement	\$0	\$10,446	\$8,709	\$6,736	\$7,993	\$9,469
5153 Health Insurance	\$0	\$68,398	\$85,200	\$84,938	\$76,669	\$88,311
5154 Unemployment Compensation	\$0	\$5,162	\$12,294	\$5,419	\$5,613	\$0
5155 Worker's Compensation	\$0	\$2,520	\$4,962	\$4,115	\$4,169	\$2,639
5158 Life Insurance	\$0	\$640	\$941	\$917	\$1,095	\$856
<b>Total Personnel Services</b>	<b>\$435,861</b>	<b>\$557,626</b>	<b>\$611,068</b>	<b>\$575,713</b>	<b>\$549,101</b>	<b>\$634,854</b>
<b>Operating Expenses</b>						
5201 Postage/Printing/Advertising	\$1,918	\$4,186	\$5,063	\$8,579	\$3,970	\$5,000
5210 Professional Development & Training	\$5,920	\$4,942	\$5,475	\$3,954	\$2,826	\$6,000
5220 Utilities/Fuel/ Mileage	\$52,450	\$60,786	\$63,379	\$69,658	\$64,517	\$88,900
5230 Payments/Contributions	\$197,114	\$71,139	\$63,684	\$64,477	\$94,193	\$110,398
5260 Repairs & Maintenance Facilities:	\$649	\$420	\$423	\$2,150	\$7,780	\$11,100
5270 Facility Repairs & Maintenance	\$15,673	\$11,377	\$19,246	\$5,226	\$0	\$0
5280 Insurance/Risk Management	\$70,203	\$7,952	\$10,849	\$15,178	\$17,816	\$19,534
5281 Occupational Health & Safety	\$1,810	\$1,067	\$860	\$877	\$705	\$3,200
5287 Medical/First Aid	\$110	\$831	\$150	\$0	\$0	\$0
5290 Professional/Technical Services	\$107,429	\$108,534	\$89,641	\$71,917	\$63,639	\$69,500
5300 Facility Materials And Supplies	\$79,615	\$52,098	\$54,931	\$39,200	\$45,588	\$45,000
5310 Vehicle Operation/Maintenance	\$19,107	\$16,173	\$9,585	\$8,195	\$5,892	\$10,000
5315 Vehicle Replacement Fee	\$55,884	\$74,420	\$78,690	\$76,092	\$60,873	\$79,051
5316 Vehicle Maintenance Fee	\$1,000	\$1,500	\$1,500	\$1,500	\$750	\$750
5318 Computer Replacement Fee	\$1,200	\$980	\$580	\$930	\$744	\$744
5320 General Materials & Supplies	\$6,435	\$3,564	\$2,050	\$199	\$0	\$0
5400 Equipment & Furniture	\$4,582	\$28,597	\$2,910	\$2,949	\$901	\$0
5410 Computer/Machine/Equipment	\$0	\$120	\$0	\$4,051	\$0	\$0
5450 Debt Service	\$0	\$0	\$32,984	\$100,368	\$73,522	\$16,311
5499 Contingency	\$6,000	\$20,000	\$0	\$0	\$0	\$0
<b>Total Operating Expense</b>	<b>\$627,099</b>	<b>\$468,686</b>	<b>\$442,000</b>	<b>\$475,500</b>	<b>\$443,716</b>	<b>\$465,488</b>
<b>Grand Total</b>	<b>\$1,062,960</b>	<b>\$1,026,312</b>	<b>\$1,053,068</b>	<b>\$1,051,213</b>	<b>\$992,817</b>	<b>\$1,100,342</b>

# DRAFT

## Personnel Costs

Personnel costs typically represent the largest single expense item in a golf course operation. Therefore, an analysis of these costs is essential to understanding the financial performance of the Shennecossett golf operation.

The consultants were provided with golf course staffing data. The following table shows job titles and the number of employees that were charged to the budgets in each fiscal year.

## Staffing Levels

Number of Full-Time Employees Charged to Budget						
Job Title	2000	2001	2002	2003	2004	2005
Director of Parks & Recreation	0	0.25	0.25	0.25	0.25	0.25
Assistant Director of Parks & Recreation	0	0.50	0.50	0.25	0	0
Golf Professional	1	1	1	1	1	1
Golf Course Superintendent	1	1	1	1	1	1
Chief Grounds Keeper (union)	1	1	1	1	1	1
Equipment Mechanic (union)	1	1	1	1	1	1
Grounds Keeper (union)	3	3	3	3	3	3
<b>Total</b>	<b>8</b>	<b>7.75</b>	<b>7.75</b>	<b>7.5</b>	<b>7.25</b>	<b>7.25</b>

This table illustrates that the number of full time positions has remained stable for the past six years. It should be noted however, that staffing and budget changes have occurred. For example, in the years prior to 1999, 75% of the Director of Parks and Recreation salary was charged to the golf course budget. It was reduced to 50% in 1999 and 2000 and then reduced to 25 percent in 2001. Fifty percent of the Assistant Director of Parks and Recreation's salary was added to the golf budget in FY2001, subsequently reduced, and finally removed from the budget by FY2004.

The NGF review of municipal golf operations nationwide in 2003 revealed the following averages for full-time staffing at municipal golf courses:

Distribution of Staffing – Full-Time (Year-Round)					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Course Maintenance	6.0	8.0	4.7	7.1	5.9
Golf Operations	2.5	4.5	1.2	2.9	2.4
General & Administrative	1.0	1.2	0.9	1.1	0.9
Food & Beverage	1.0	1.6	0.6	1.7	1.0
Other	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>10.4</b>	<b>15.3</b>	<b>7.4</b>	<b>12.8</b>	<b>10.2</b>

Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation

## DRAFT

The golf operation employs both full time and part time employees who staff the pro shop. Starters, rangers and the cart operation are staffed by volunteers.

Employees work on a part-time or seasonal basis depending on their positions and the time of the year. Volunteer positions are unpaid but they receive golf privileges as compensation. Golf services employees are mostly retired persons. These employees are paid an hourly wage, which can range from \$10.50 to \$11.50 per hour.

Golf services employees, under the direction of the Golf Professional, perform the following tasks: Assistant Pro, Pro Shop Attendant, Cart Attendant, Ranger, and Starter,

Under the direction of the Superintendent, the maintenance operation currently employs 5 full time workers and five seasonal employees one of which is an intern. These employees are a Chief Groundskeeper, an Equipment Mechanic, and three Maintenance Workers. The following table identifies the current staffing levels and salaries/wage ranges for each position.

Employees		FY2005 Salary/Wages
<b>GOLF OPERATIONS</b>		
Golf Pro (FT)	1	\$54,935
Assistant Golf Pro (S)	1	\$16.00 per hour
Pro Shop Staff (S)	1	\$11.50 per hour
Pro Shop Staff (S/PT)	2	\$10.50 to \$11.50 per hour
<b>Sub Total</b>	<b>5</b>	
<b>TURF MAINTENANCE</b>		
Superintendent (FT)	1	\$59,374
Chief Groundskeeper (FT)	1	\$52,970
Mechanic (FT)	1	\$50,605
Groundskeeper (FT)	3	\$135,279
Seasonal	5	\$56,740 (\$8.50 to \$12.00 per hr.)
<b>Sub Total</b>	<b>11</b>	<b>\$335,194</b>
<b>TOTAL EMPLOYEES</b>	<b>16</b>	
<b>SUMMARY</b>		
<b>Full Time</b>	<b>7</b>	
<b>Part Time Seasonal</b>	<b>9</b>	

It is common for golf courses to hire persons who are seeking employment primarily for the purpose of receiving playing privileges. The cost benefit of such arrangements is questionable and seldom favors the golf course. A paid part time employee or volunteer may work only a few hours a week and in addition to receiving compensation for the hours worked also receives golf privileges. It is our understanding that its Shennecossett policy that all employees and volunteers receive unlimited playing privileges.

The amount that is spent on personnel services is very important. However, the value received is equally important. Productivity by the golf services and maintenance employees, or the lack of it, is very often the reason golf courses are successful or failures. The essential elements that contribute to employee productivity are good management, an adequate number of well trained

## DRAFT

and experience staff, a well-supplied and maintained equipment inventory, and sufficient materials and supplies.

### Labor vs. Non-Labor Balance

According to the Town of Groton budget history on Shennecossett from 2000 through the new FY 2005 budget, the distribution of total expenses between labor and operations expense has increased from 41 percent labor costs in 2000, to about 58 percent labor in the new FY2005 budget. The table below shows the actual Shennecossett expenses.

	Actual FYE 2000	Actual FYE 2001	Actual FYE 2002	Actual FYE 2003	Estimated FYE 2004	Adopted FYE 2005
Total Personnel Services	\$435,861	\$557,626	\$611,068	\$575,713	\$549,101	\$634,854
Personnel %	41.0%	54.3%	58.0%	54.8%	55.3%	57.7%
Total Operating Expense	\$627,099	\$468,686	\$442,000	\$475,500	\$443,716	\$465,488
Operating %	59.0%	45.7%	42.0%	45.2%	44.7%	42.3%
<b>Grand Total</b>	<b>\$1,062,960</b>	<b>\$1,026,312</b>	<b>\$1,053,068</b>	<b>\$1,051,213</b>	<b>\$992,817</b>	<b>\$1,100,342</b>

When these expenses are compared to national averages for municipal golf courses we can see that Shennecossett has a higher labor proportion than is generally expected from a golf facility with the revenues and season length of Shennecossett. Overall, this facility is clearly top-heavy in labor costs and attempts to reduce operations (non-labor) budgets have begun to negatively affect the golf course. The average figures for municipal golf courses in the U.S. are shown below:

Maintenance Payroll & Benefits					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	184,000	228,880	171,070	109,260	278,500
Median	287,650	312,670	265,250	176,150	325,000
Top 25 Percent	344,720	374,010	325,000	274,080	416,850
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

Maintenance Payroll as % of Total Payroll 2003					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	41%	41%	42%	53%	38%
Median	53%	46%	56%	63%	46%
Top 25 Percent	65%	53%	67%	72%	53%
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					



# DRAFT

Total Payroll & Benefits 2003					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	322,000	348,700	280,560	211,340	470,540
Median	447,840	524,170	403,450	338,440	675,050
Top 25 Percent	675,040	758,630	619,790	403,500	856,550
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

Total Payroll as % of Total Expenses 2003					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	47%	44%	47%	49%	44%
Median	54%	50%	57%	57%	51%
Top 25 Percent	61%	59%	65%	67%	59%
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

## Capital Improvement Expenditures

NGF Consulting has noted several capital improvement projects in the next section of this report that will be required to bring Shennecossett to a more competitive position in the area marketplace. In the future, the Town may find that while Shennecossett is capable of meeting its basic operational obligations, the facility lacks the economic capacity to finance large-scale capital improvement projects and therefore may have to be supplemented by the Town's general fund for these investments. A typical municipal golf operation will have some form a major capital improvement expenditure every few years, and it is not uncommon for these investments to be made with money from the municipality's general fund. Average expenditures on capital improvement projects on municipal golf courses in the 2001 to 2003 period are as follows:

Total Capital Expenditures Past Three Years (2001-2003)					
	U.S.	Season		Total Revenue	
		10-12 mos.	<10 mos.	Below \$1.0 mm	Above \$1.0 mm
Bottom 25 Percent	90,000	89,500	120,000	49,830	185,740
Median	350,000	257,500	356,000	175,000	420,000
Top 25 Percent	756,740	846,500	717,500	785,000	750,000
Source: Operating & Financial Performance Profiles of 18-Hole Facilities in the U.S. – 2003 Edition, National Golf Foundation					

# DRAFT

## OVERALL OPERATIONS SUMMARY FINDINGS AND RECOMMENDATIONS

After examining the performance of the Town of Groton golf operation for the past five fiscal years, the following summarize the consultant's findings and recommendations.

- The Town of Groton employs a total of 16 persons to operate and maintain the Shennecossett Golf Course – compared with the total U. S. average of 15.3 employees for municipal golf courses with 10-12 month season in 2004.
- In general, it appears that the maintenance of the golf course has been limited by the available work force and union restrictions that are in place. The union contract and state and federal labor laws impose limitations on the number of hours that can be worked, the amount of pay, and overtime pay for weekends and holidays. Further, the union contract prohibits the golf course superintendent from operating golf maintenance equipment, a policy that is very unusual for a golf course and potentially damaging to the operation.
- The Town's contract agreement with its union employees is too restrictive. The contract should be renegotiated to allow the golf course superintendent to perform maintenance tasks. Part-time or seasonal help should be used on weekends and holidays. The reason for this recommendation is to increase the productivity of the maintenance crew without impacting full time employee wages and salaries. Employees must accept the fact that the quality of course maintenance has the most direct effect on its ability to attract new and keep current customers.
- In the event that the Town and the Union are unable to agree upon reasonable cost saving measures and productivity improvements, the Town should anticipate having to privatize the maintenance operation so that expenses can be reduced to levels that will allow Shennecossett to meet its financial obligations and make necessary capital improvements.
- Consulting has recommended **minimal changes to the basic fee structure** of the Shennecossett Golf Course. We do recommend that the facility become more flexible in pricing to allow for golf packages, specials, discounts, merchandise offers, and food/beverage/golf offerings, particularly at times when play is slow.
- Shennecossett needs to employ a Point of Sale (POS) computer system to keep accurate track of activity levels and sources of customers and rounds activity.
- NGF Consulting has not recommended a total restructuring of the Town of Groton golf operation. NGF Consulting has recommended a rearrangement of the labor structure to create a single on-site golf director that answers directly to the Town Manager and is efficient in marketing and operating Shennecossett.
- While full or partial privatization of the golf course was considered, NGF Consulting sees this strategy as involving too much loss of control over the asset for without enough return.

## DRAFT

- NGF Consulting recommends that Shennecossett management develop a marketing strategy that will insure a balance between the number of green fee players and members is maintained and that maximum utilization of the facility is achieved. Among the specific strategies emphasized include a tourist strategy, tournament/outing strategy, website strategy, and better tie-in with the Par 4 F&B concessionaire.
- The average number (19,331) of green fee rounds is 2507 more than the average number (16,824) of membership rounds for the five-year period. There is a great deal of unused capacity in the primary golf season that needs to be converted into additional rounds in order to achieve financial goals.
- The actual amount of revenue that was realized in fiscal 2002 and 2003 was far below the projected budgeted amounts. As a consequence, spending was reduced.
- The average revenue per round fluctuated from year to year. It reached a low of \$24.75 in FY2002 and a high of \$30.17 in FY2000 and averaged \$27.62 for the five-year period.
- The average expense of producing a round of golf also fluctuated from year to year. It reached a low of \$24.75 in FY2002 and a high of \$30.93 in FY 2000 and averaged \$28.88 for the five-year period.
- The average net revenue per round decreased each year from a high of \$.90 in FY2003 to a low of negative (\$3.77) in FY2001 which resulted in a five year average of a negative (\$.41)
- Personnel salaries, wages and benefits are disproportionately high for a golf facility with a million dollar plus budget.
- In recent years the golf operation has failed to meet its projected financial obligations as a special revenue fund, which has necessitated reducing expenditures and delaying essential capital projects. The golf course fund has no fund balance to cover revenue shortfalls thus compelling the Town to make financial adjustments to the budget. The Town may have to consider reassigning the golf operation from an enterprise fund to the general fund so that shortfalls can be covered by taxes.

# DRAFT

## Summary Data Chart – Shennecossett Golf Course 2000-2004

Fiscal Year	2000	2001	2002	2003	2004	Averages
Theoretical Capacity	96,236	96,236	96,236	96,236	96,236	96,236
Total Rounds Played	36,153	34,144	42,541	33,989	33,947	36,155
Percentage of Theoretical Capacity	35.7%	33.3%	42.8%	33.2%	35.3%	36.1%
Green Fee Rounds	16,715	17,564	22,845	19,569	19,961	19,331
Green Fee Rounds as a Percentage Total Rounds	46.2%	51.4%	53.7%	57.5%	58.9%	53.5%
Membership Rounds	19,438	16,580	19,696	14,420	13,986	16,824
Membership Rounds as a Percentage Total Rounds	53.8%	48.6%	46.3%	42.5%	41.1%	46.5%
Green Fee Revenue	\$444,267	\$461,166	\$545,863	\$471,541	\$537,190	\$492,005
Membership Revenue	\$305,841	\$299,101	\$319,764	\$277,042	\$273,621	\$295,073
Cart Revenue	\$122,792	\$126,457	\$167,776	\$154,572	\$155,828	\$145,485
Other Revenue	\$217,743	\$24,709	\$19,666	\$20,953	\$28,293	\$62,272
Total Revenue	\$1,090,642	\$911,433	\$1,053,069	\$924,108	\$994,932	\$994,836
Average Revenue Per Round	\$30.17	\$26.69	\$24.75	\$27.19	\$29.31	\$27.62
Total Expenses	\$1,062,960	\$1,026,312	\$1,053,068	\$1,051,212	\$992,817	\$1,037,273
Average Expense Per Round	\$29.40	\$30.06	\$24.75	\$30.93	\$29.25	\$28.88
Average Net Revenue Per Round	\$0.77	(\$3.71)	\$0	\$0.90	\$0.05	(\$0.41)
Average Revenue Per Round From Green Fees	\$26.58	\$26.26	\$23.89	\$24.10	\$26.91	\$25.55
Average Percentage of Green Fee Revenue of Total Revenue	40.7%	50.6%	51.8%	51.0%	54.0%	49.6%
Average Revenue Per Round From Membership Fees	\$15.73	\$18.04	\$16.23	\$19.21	\$19.56	\$17.75
Average Percentage of Membership Revenue of Total Revenue	28.0%	32.8%	30.4%	30.0%	27.5%	29.7%
Per Round Difference Between Green Fees and Membership Revs	\$10.85	\$8.22	\$7.66	\$4.89	\$7.35	\$ 7.79
Average Revenue Per Round From Cart Fees	\$11.44	\$11.90	\$11.76	\$10.72	\$12.43	\$11.65
Average Revenue Per Round From Green Fees & Cart Fees	\$38.02	\$38.16	\$35.66	\$36.14	\$39.34	\$37.20
Average Revenue Per Round From Membership Fees & Cart Fees	\$27.18	\$29.94	\$28.00	\$29.93	\$31.99	\$29.41

## Shennecossett Physical Review

*Agronomist Billy Buchanan visited the Shennecossett Golf Course on May 21, 2004 and examined course condition and maintenance, accompanied by Eric Morrison. The purpose of his report is to evaluate the overall maintenance program following observation of the conditions on the golf course. This section of the report will offer suggestions for improving the overall operation. Comments regarding the clubhouse and structures are also included in this section from the NGF consultants visit in May 2004.*

The golf course is situated on approximately 128 acres. The breakdown of area is as follows:

Course Acreage Measurements	
Area	Acres
Greens	3
Tees	2
Fairways	35
Bunkers	2
Roughs	58
Lawn / Practice area	2
Gardens	.5
Natural Area	23.75
Lakes & Ponds	.25
Buildings & Parking	1.5
<b>TOTAL</b>	<b>128</b>

This is an old course with some classic design features. Although some holes have been added and some changed, the character of the course has been preserved. Shennecossett is no different from other old courses in that there are areas that should be updated and/or renovated. There are fairway drainage issues, cart traffic wear problems, sand bunker needs, and some Par 3 tee size issues that should be addressed to get the golf course into a quality condition.

Specific comments about the golf course maintenance operation are as follows:

### LABOR

The course is maintained by a small crew. The size of the crew and its productivity limit the ability of the turf maintenance staff to provide the public with a quality product. In addition to the Golf Course Superintendent, there are only five (5) full-time employees. These full-time employees are responsible for completing all of the work on the golf course. At the present time one employee is not working because of a disability, the union contract makes a replacement from being hired to assist in preparing the golf course cost prohibitive. The union contract also prevents the Superintendent from doing any physical labor. Only four groundskeepers are now

## DRAFT

available to do the work with one of those also being the mechanic. This is simply not enough people to maintain an 18-hole golf course in a condition that the Town can be proud of. During the summer months the course can hire part-time labor, but the effectiveness of these staff members is reduced due to the limitations placed on the number of hours they can work and types of equipment they can operate.

It is suggested that in the next contract negotiations an effort be made to either increase the size of the permanent staff to eight (8) or to allow the Golf Course Superintendent to work on the course and permit the part-time employees to work more hours during weekdays and weekends. It must be understood by both parties that the grass is growing 24 hours per day during the spring, summer, and fall. One cannot work from 5:30 AM until 2:00 PM and let the rest of the day go by. The turf needs to be cared for in the afternoons and on weekends. The Town is doing a disservice to the public by not maintaining the course properly. Restricting the way the Golf Course Superintendent can do the work that he has been trained and educated to do is tremendously short sighted and is preventing keeping the golf course in a condition that the patrons can enjoy.

It is important that the maintenance staff be trained and motivated to care for the turf. Often a relatively small staff can maintain a golf course to quality standards if they are motivated, well trained, and have pride in their work. It is the responsibility of Management to provide the resources for the Golf Course Superintendent to have access to appropriate labor and equipment. In turn, it is the responsibility of the Golf Course Superintendent to train and motivate the staff to do the work with the resources available.

The Pro Shop is receiving complaints from the patrons that the rough is too high, slowing play when golf balls are hard to find in the rough. One reason this condition exists is that the grass is growing very rapidly and there is not enough labor to mow fairways, greens, tees, and roughs in a timely manner. Until the labor supply is increased to meet the growing conditions and the golfer's complaints will continue and are justified. This will impact the overall volume of golf that the facility will host.

## EQUIPMENT

The equipment inventory is adequate to maintain a well-conditioned golf course. The condition of the equipment is good and there is an excellent replacement schedule. The funding for equipment purchases is good; this program should be kept in place. The main problem is that there are not enough people to operate the equipment to make the most of the Town's expenditures.

## FAIRWAYS AND ROUGHS

The fairways have a lot of grass that is growing very fast. Rapid growth is to be expected at this time of year. The fairways are being mowed as frequently as possible, but the quality of cut and playing conditions can be improved. The frequency of the fairway mowing should be increased so there is not such a tremendous amount of clippings left on the fairways following each mowing. The clipping problem could be avoided by mowing when the grass is dry, but with the current work schedule the workers are going home just when the work should be done.

There are a number of drainage issues that need to be addressed around the course. Number 7 fairway and some areas around the greens need to be addressed. Number 7 fairway is the worst area on the golf course. It is understood that there are numerous times during the year

## DRAFT

when play, or at least cart use, is not allowed on the course because of this fairway and several other areas. The drainage issues are not hard to fix and these problem should be repaired. The wet areas not only make the golf course unplayable, they make the overall impression of the golf course poor.



## GREENS

The greens are of two very different types. The original greens are soil with some sand while the new greens have a high sand content. These conditions dictate that different maintenance practices be followed on the greens depending upon which type is being cared for. The different construction does not mean that the playing conditions on the greens should differ, just the maintenance programs.



## DRAFT



The original greens are built with the native soil. Over the years topdressing the greens has changed the composition of the topmix.

Note the white roots growing down one of the aeration holes.



The new greens have a high sand content topmix. These greens will have different water and fertilizer requirements than the old greens.

The sandy greens mix also had good root development.

Although the greens vary in topmix and construction, they can be maintained to provide the golfers with consistent and true putting surfaces. The damage that the greens suffered last summer is still obvious. The damage areas are beginning to recover, but the healing process has been very slow. The following is suggested to help speed the recovery of the greens:





The greens have not recovered from the turf loss last summer. Topdressing will help smooth the greens and promote a quicker recovery.

The greens should be topdressed every 2 weeks until the putting surface has recovered and the roll of the ball is perfectly smooth.

## **GREENS MAINTENANCE PHILOSOPHY AND PROGRAMS**

Regardless of the predominant grass cover on the greens, sound maintenance procedures need to be followed to provide a quality playing surface and a healthy turf. I understand the desire of the course to have fast and consistent green putting surfaces for the New England Senior Tournament, but the current practices appear to be causing turf decline following the event. I feel the turf can be maintained without stressing it to the point where anthracnose or other turf problems occur. The following suggestions may be slightly different than the practices used in the past, but I know from experience that they will produce championship conditions for a given period of time. The following recommendations are made considering the desire for high quality conditions throughout the year and excellent conditions for the Senior event:

### **Irrigation/Syringing**

Excessive or prolonged moisture is a major contributor to disease infestation on turf. The irrigation schedules must be adjusted to provide enough water for the plant's survival, but limit the time that the plant actually stays moist. Early morning irrigation cycles are the ideal way to

## DRAFT

accomplish this. Thusly, tees and fairways need to be irrigated in the early morning hours with greens being irrigated between the hours of 5:00 AM - 8:00 AM. Applying water at this time will help wash off the dew and the grass will dry more quickly with the sunrise. Do not allow the greens to get excessively wet or spongy.

There are many days when irrigation is not required on the greens. On those days I recommend hand-syringing the greens following mowing. A quick syringe will provide enough moisture to the plant throughout the morning hours without actually wetting the plant.

### Whipping/Dew Removal

I feel that removing the dew prior to mowing helps the plant by eliminating the coating that occurs when dew is present. The use of poles to remove the dew also helps stand the grass up for a better clip when the mower crosses the green. I encourage that whipping be done even on days when the greens are not mowed.

### Mowing

If at all possible use the walk-behind mowers. Double mowing is a normal practice to increase the speed of the greens and to improve the quality of the cut. The double mowing can be done, but only on special occasions. It should not be a part of the normal weekly maintenance program. The height-of-cut should not be below 9/64" or 0.140 inches. The lower heights of cut encourage the development of anthracnose attacks and other turf problems.

Daily Stimpmeter readings can easily be kept in the 9.0- 9.5-foot range by balancing fertilizer, topdressing, and irrigation applications. When speeds greater than 9.5 feet are required, rolling or an occasional double mowing can increase the Stimpmeter reading to over 10 feet within two to three days. These speeds can be maintained for 4 to 5 days without risk of damaging the turf. Maintaining daily green speeds of 9.0 - 9.5 feet will also better distribute player wear on the greens by allowing for more usable hole placements. The contours of the green can severely limit the locations for hole placements when the green speeds exceed 10 feet.

### Rolling

Rolling the greens is much less stressful to the turf than mowing. Although the rolling does present some other problems, such as compaction, these problems can be easily minimized. Rolling will increase the speed of the greens by the same amount as a second or third cut. A second cut of a green will generally increase the green speed by 8" - 10"; rolling will do the same. A third cut of the green will generally increase the speed by about 8"; an additional rolling will do the same. Therefore, I recommend that the greens rollers be used in lieu of the greens mowers to increase the green speed when desired.

### Grooming / Whiele rollers

The use of groomers and Whiele rollers has become normal practice. These are good tools to help manicure a green. A problem has developed, however, in that these tools are being used too often and under circumstances that result in their doing more harm than good. I suggest that these tools only be used when needed, monthly and/or prior to special events, and that solid rollers be the normal setup on the greens mowers.

## DRAFT

When grooming (light vertical mowing) is done, it is recommended that a fungicide application be made prior to the work commencing. The greens should also be syringed following the grooming work.

### Aeration

There are numerous forms of aeration on the golf course including coring, quadratining, deep-tining, drill-and-fill, and spiking. Some of these procedures are more drastic than others. I encourage you to continue with the normal coring that is regularly being done on the course. I have some reservations about the worthiness of the deep-tine operation since the greens do not have a sub-surface drainage system. The deep-tine will help relieve compaction, but will do little for water movement through the soil profile, since there is no drainage system for the water to enter. Most of the drainage on your greens is done through surface drainage.

I am a firm believer in the spiking of greens. The spiking operation can be done easily with no disruption to the playing surface. I recommend the use of the Toro spiker that attaches to the Toro Sand-Pro. With this machine the greens can be spiked prior to mowing with no inconvenience to play. I suggest that the greens be spiked once per week during the year when the grass is actively growing. The spiking will get air into the top inch of the soil and assist in getting moisture through the thatch layer and into the soil where it is needed. Spiking will also relieve any compaction caused by rolling the greens since rolling only compacts the very top of the soil layer.

### Topdressing

Topdressing is one of the oldest and best ways to maintain true, smooth, and fast greens. Topdressing, when applied in light frequent applications, can help in controlling thatch build-up and disease incidents. The fresh material being applied gets into the thatch layer and helps with air and water movement through this layer. Many courses have gotten away from frequent applications of topdressing because of low cutting heights and the adverse effects of the material upon the greens mower. The topdressing material will dull the mowers quickly. Many clubs are not able to provide the mechanical work necessary to keep the mowers sharp on a continuing basis.

Frequent topdressing also has more expense than just the material. Bedknives for the mowers, sharpening equipment, and the need for constant back-lapping of the mowers add to the cost. This must be considered when embarking on a topdressing program. Having said this, I am recommending a frequent topdressing program for Shennecossett. Using light applications of 2 cubic yard of material per 5000 square feet of green every two weeks will help the putting quality and health of the turf. The total cost of the material will be about the same as you presently spend, but the number of applications will be greatly increased as will the amount of time the mechanic has to spend maintaining the greens mowers.

### Overseeding

Increasing and maintaining the bent grass population on the greens must be part of the overall program to reduce the incidence of diseases and turf injury. Several varieties of bentgrass should be used as overseeding for the greens. I feel this is a very good program, however, I would also increase the frequency of overseeding by combining the application of seeds with the recommended spiking program.



## DRAFT

I recommend that one pound of seed be applied per green every month that the spiking is being done. The constant introduction of new seeds will gradually increase the bentgrass population on the greens.

### **Maintenance Facility**

The present maintenance facility is of inadequate size and lacks key components such as an area to wash equipment and an appropriate chemical storage facility. An improved, expanded or new maintenance facility should be on the prioritized list of capital improvement projects for the future of this facility.



### **CART PATHS**

The course has only a few short cart paths around the tees and greens. The number of golf carts being rented has resulted in noticeable wear patterns on the course. There are also a significant number of days during the year when golf carts are not allowed because of wet or inclement conditions. This clearly has implications for activity levels and revenue as some golfers simply will not play if carts are not allowed on the course. The installation of cart paths should be a priority for course condition improvement as well as revenue increase.

Cart paths should be installed at a very minimum around all greens and tees. These paths should be 8 to 10 feet wide. Eight-foot wide tee-to-green paths should be installed on all par 3 holes and in other particularly wet areas of the golf course.

### **TEES**

Many older courses have very limited tee sizes for today's play volume. Par 3 tees are particularly small. The tee size must be increased to allow for proper tee marker rotation in order to avoid wear areas. The course should build new tees or increase the size of the existing tees. The following is suggested to get the proper size:

## DRAFT

- On par 3 holes the tees should have 200 square feet of usable teeing area for every 1,000 rounds of golf played. Therefore, if the course has 25,000 rounds in a year, the par 3 holes should have 5,000 square feet of teeing ground.
- Par 4 or par 5 holes where no irons are used should have 100 square feet of teeing area for every 1,000 rounds.

### BUNKERS

The bunkers are not in good condition. The lack of labor to properly maintain the bunkers is evident. All of the bunkers need to be repaired to get the sand build-up from the edges removed and to have the sand spread to a uniform depth throughout.



The bunkers need restoration. The edging of the bunkers is not good. The bunkers are not shaped and the sand build-up on the greenside is to the point that the bunkers do not look good.

### WINTER PLAY

The golf course is open for play at all times during the year. The location of the course is such that the snow cover is minimal and therefore people can play on the full golf course without temporary greens during the winter months. The winter green fees should assist in providing additional income for the town. NGF Consulting analysis of the monthly income from golf rounds would indicate that the revenues in the peak winter months may not be enough to cover the costs during that period.

Further, the Town must recognize that there will be a time during the spring when the greens and tees will have to be aerated and topdressed to smooth the areas that were damaged during the winter. The tees and greens will suffer some damage because the grass is not growing and will not recover from injury until the soil temperatures warm enough to allow for plant growth. Therefore, when the golf course re-opens in the spring conditions may not be at their optimal and may result in further loss of revenue.

## DRAFT

### CLUBHOUSE IMPROVEMENTS/REPLACEMENT

During the consultants' review of Shennecossett, several people commented on the need for a new or greatly improved clubhouse. From our observation, there is little argument that the clubhouse is in need of major renovation or replacement. It has several deficiencies that need to be addressed. However, NGF Consulting recognizes the historical significance of the clubhouse and supports the idea that every effort should be made to retain this facility.

Because the clubhouse is the focal point of most golf course operations it is important to keep it as pleasing as possible. This is where newer patrons will make their first impression of the club and be key in the memory of the facility. At present the pro shop and food/beverage areas appear to be well kept and in no need of major renovation/improvement. NGF Consulting recommends deferring the replacement or major renovation of Shennecossett clubhouse until the golf course and maintenance operation deficiencies have been corrected. Aside from inexpensive cosmetic improvements, energy saving improvements and emergency repairs, no further improvements to the clubhouse should be contemplated at this time.



The most immediate areas in need of action are (1) improving the insulation of the building so that the facility can be heated more efficiently. It was reported to NGF Consulting that the clubhouse burns through upwards of 300± gallons of heating oil every 10 days in the winter. As replacing this heating oil is the responsibility of the Town, this is money that is being wasted and may quickly “eat up” the \$20,000 in lease payment collected from the Par 4 food and beverage operator. Whatever can be done to improve the building’s insulation should be completed immediately.

## DRAFT



There is also an issue of unused space in the clubhouse. There is a large volume of unused space in the rear locker-room area that is presently only used for minor storage. As this area is heated in the winter, money is being spent to maintain the area with no benefit to the golf course. NGF Consulting recommends that the Town engage an interior space consultant to help identify the most appropriate use for this space. At the least the area should be closed off in winter and not heated in order to save fuel and money.



## DRAFT

### BUDGET

The dollar amount of the overall operating budget for the golf course maintenance appears adequate at first glance, however closer inspection shows there is declining monies for fertilizer, disease control products, weed control products, insect control products, topdressing, equipment maintenance and repair, irrigation maintenance and repair, and small items to be used on the golf course. There is a large proportion of the maintenance budget that is attributed towards labor. The equipment replacement schedule is good.

There must be a vast improvement in the way that the labor is allocated and used. The preceding Labor section points out the importance of having enough labor to properly maintain the golf course. It is important that the Town management and the union representing the workers understand the needs and demands of maintaining a golf course. It is neither a park nor a baseball or a soccer field, but a golf course. There is a vast difference. If the town wants to improve the course's playing conditions and produce more revenue, it must provide the proper resources and adequate labor is the key ingredient.



# Shennecossett Golf Course

## Customer Satisfaction

### OVERVIEW

In an effort to communicate with the local community about issues related to the operation of the Shennecossett Golf Course, NGF Consulting has implemented our Customer Loyalty and Satisfaction Program (CLASP) at the subject facility for the period of March through June of 2004. A copy of the survey instrument appears in **Appendix E** to this report. The findings of the survey are summarized in the following paragraphs.

### SHENNECOSSETT GOLF COURSE CUSTOMER SATISFACTION

The demographic profile of the survey group is noted in the table that follows. This report is based on **169** total responses.

Customer Segments	Survey Respondents
<b>Age</b>	
Under 30	12%
30 - 49	31%
50+	57%
<b>Gender</b>	
Male	90%
Female	10%
<b>Income</b>	
Less Than \$50,000	28%
\$50,000 - 99,999	48%
\$100,000 or more	24%
<b>Rounds Played at This Course</b>	
Less than 8	31%
8 - 24	17%
25+	51%
<b>Total Number of Rounds Played</b>	
Less than 8	4%
8 - 24	25%
25+	71%
<b>Average Score</b>	
Under 80	9%
80 - 99	68%
100 or more	23%

## DRAFT

The above survey respondents who indicated that they had played Shennecossett provided the following general findings on their experiences at the facility:

### Five Factors Most Important to Shennecossett Golfers:

1. Overall Course Conditions (tees, fairways)
2. Affordability/Value of Course
3. Condition of Greens
4. Pace of Play
5. Convenience of Course Location

### The Competition

Listed below are those facilities that Shennecossett golfers indicated they play most often in the area. These facilities represent an important competitive set for golfers at Shennecossett:

- Elmridge Golf Course
- Pequot Golf Club
- Norwich Golf Course
- Cedar Ridge Golf Course
- Exeter Country Club

### Satisfaction Ratings vs. the Competition

When compared to the above noted golf facilities, Shennecossett has a **higher satisfaction rating** for the following factors:

- Pace of Play
- Convenience of Course Location
- Scenery and Aesthetics of Course
- Friendliness/Service of Staff
- Food and Beverage Service

When compared to the above noted golf facilities, Shennecossett has a **lower satisfaction rating** for the following factors:

- Condition of Greens

## DRAFT

### Share of Wallet

You have an average of 66% of your customers' overall business.

### Frequent Customers

Characteristics of frequent customers at Shennecossett Golf Course:

- Age 50+
- Male
- Income from \$50,000 - 99,999
- Average Number of Rounds Played Annually - 25+
- Average Score: 80 to 99

### Satisfaction at Shennecossett Golf Course

Shennecossett Golf Course was **well above** the benchmark for the following factors (index of 110 or more):

- Convenience of Course Location
- Shennecossett Golf Course was **well below** the benchmark for the following factors (index of 90 or less):
- Overall Course Conditions (tees, fairways)
- Condition of Greens

### SUMMARY

Our effort to communicate with the local community about the Town of Groton Municipal Golf Operation has yielded some key issues regarding the relationship of the Shennecossett facility to the community. NGF Consulting notes that the 170± golfers surveyed thus far are generally pleased with the overall price offering, but are concerned about the physical condition of the golf course, particularly the greens. As the condition of the greens tends to be one of the most important factors in establishing customer satisfaction at a golf course, special attention to correcting this deficiency must be made. This is something that the Town will have to monitor as the system moves toward the future.

## Projected Financial Performance

By projecting revenues, expenses and activity levels at the Shennecossett Golf Course, it is possible to develop a cash flow proforma, which forecasts a golf operation's future financial performance. NGF Consulting's cash flow proforma, which is located in the Appendix Materials, displays a projected five-year performance for the golf operation based upon the assumption that the course will be managed and maintained with a high degree of professional expertise. The proforma also assumes the recommended improvements identified in the Golf Course Inspection section of the report will be made and that high-quality maintenance standards will be initiated.

### Financial Assumptions

Based on NGF Consulting's knowledge of the area golf market, trends at local golf facilities, and our analysis of the Shennecossett Golf Course operation, were used in the development of the cash flow proforma. The following general assumptions have been used:

- It has been the policy of NGF consulting to use conservative projections when predicting future rounds activity and revenues and somewhat generous expense projections. Our experience has shown that most often golf course budgets over estimate revenues and under estimate expenses. Our proforma has attempted not to repeat that error, yet be realistic in establishing achievable financial goals.
- The number of annual rounds is expected to increase as a result of improved maintenance conditions, more aggressive marketing, and the availability of unused capacity, competitive fee schedules, and greater course accessibility by daily fee players.
- NGF Consulting used historical data for the past five fiscal years (2000 to 2004) to project future rounds of play. Daily fee rounds are projected to increase four percent a year, however membership rounds are projected to decrease one percent a year due to an anticipated decline in membership sales.
- Total rounds are projected to reach some 40,000 an increase of approximately 3700 from the five-year average of approximately 36,300.
- Most Daily Green Fees have been projected to increase about 3 percent per year, or anywhere from \$0.50 to \$1.50 per year from their current levels.
- Daily Green Fee revenues are projected to increase approximately \$315,000 from the five-year average as a result of additional rounds and increased fees.
- The fee schedule for carts is projected to increase \$.50 per year and should result in an additional \$56,800 in revenue.
- Annual sales of Resident and Non-resident Memberships are projected to decrease 2.5 percent per year from the five-year average.

## DRAFT

- Fees for Annual Resident Memberships are projected to remain at their current levels for 2005 and increased five percent a year beginning in 2006 to 2010.
- Non-resident Memberships fees were adjusted from their 2004 levels for 2005 and increased five percent a year beginning in 2006 to 2010.
- Adjusting the Non-resident Membership fees in 2005 will result in a 20 percent across the board fee differential between resident and non-resident memberships.
- As a result of a projected decline in membership sales and projected increases in annual membership fees total membership revenue is projected to increase \$39,600.
- Other revenues are projected to remain at average year levels for the next five years.
- Using the Manager's FYE 2005 budget as the basis for future projections the consultant assumed four percent across the board annual increase to all full-time employees, 15 percent to all part time and seasonal employees, and six percent across the board annual increase to all other operating expenses.
- NGF Consulting has assumed that accounts 5300 and 5320 will be restored to pre 2004 levels.
- It should be noted that there are certain line items in the Personnel Services portion of the proforma such as Salary Adjustments, Wage Continuation and Unemployment Compensation for which there were no amounts in the Manager's FYE 2005 budget and thus no projections made for future years. It is our understanding that these line items are determined on a yearly basis.
- The following table summarizes NGF Consulting's projected revenue and expenses for the Shennecossett Golf Course for the next five fiscal years. The complete proforma can be found in Appendix F of this report.

## DRAFT

### Summary of Revenue and Expenses

	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
Gross Revenue	\$1,178,689	\$1,254,622	\$1,327,080	\$1,398,886	\$1,463,218	\$1,530,772
Total Personnel & Operating Expenses	\$1,100,342	\$1,240,516	\$1,298,534	\$1,360,594	\$1,427,089	\$1,497,491
Net Income	\$78,347	\$14,106	\$28,547	\$38,292	\$36,129	\$33,281
Total Rounds	37,075	37,899	38,559	39,141	39,635	40,031
Average Gross Revenue Per Round	\$31.79	\$33.10	\$34.42	\$35.74	\$36.92	\$38.24
Average Operating Expense Per Round	\$29.68	\$32.73	\$33.68	\$34.76	\$36.01	\$37.41
Average Net Income Per Round	\$2.11	\$0.37	\$0.74	\$0.98	\$0.91	\$0.83

Once again, the financial proforma is based on conservative projections. Revenue projections are conservatively quantified using historical activity levels and based on modest fee schedules. However, operating expenses have been estimated at levels that make ample allowance for the staffing, materials, supplies, and other associated expenditures necessary to operate the course a high level of quality.

### UTILIZATION OF FINANCIAL PROJECTIONS

The financial projections presented by NGF Consulting have been prepared based on existing and projected market conditions, the quality of Shennecossett GC and the intended segment of the golf market toward which it is oriented. Proper uses of these projections include but are not limited to:

- Establishing reasonable performance expectations for the proposed facility.
- Determining an appropriate level of support that may be required.
- Establishing the basis for financing determinations.

NGF Consulting is confident that the stated financial projections can be achieved at the Shennecossett Golf Course. However, they should not be viewed as the ultimate target once the facility has been operating for a few years. From a practical standpoint, those managing the facility will need to respond to variable market conditions, as well as unforeseen maintenance needs.

Overall, these projections suggest that operational break-even is a fair goal for the Shennecossett facility. This means that excess funds to save as a reserve for replacement are not likely to be produced by Shennecossett and that larger capital improvement projects, such as those proposed by NGF Consulting, will have to come from another source of support such as the town's General fund.

## Summary Statement

NGF Consulting has found that Town of Groton's municipal golf operation is fulfilling its mission to provide affordable golf to the citizens of southeast Connecticut. Unlike other Parks and Recreation amenities that the Town offers, the golf operation generates some \$1.0+ million in revenues that have traditionally been sufficient to cover all costs associated with the golf operation. In recent years the revenues have fallen for a number of reasons, some of which cannot be controlled by the Town of Groton and some that can be controlled.

The NGF Consulting recommendations contained in this report generally involve expanding on what the Town is presently doing right and focusing on ways to be more efficient with what is there and promoting activities that stimulate greater participation from the community. The set up that seems to offer the facility the best chance for financial success is to place the direct control of the golf facility operation with people who are closest to the golf course and who have proven experience in managing profitable public golf courses. This can be accomplished by creating a new "Golf Department," or "Golf Manager" position that has ultimate authority at the facility and is answerable directly to Town government. As noted, NGF Consulting also expects that the Town's general fund will have to be used to pay for large-scale capital improvement projects while the golf facility's revenues should be expected to cover basic facility operations.

Throughout the text of this report, NGF Consulting has made recommendations for the future operation of the Shennecossett Golf Course. Where applicable specific cost estimates are provided, although NGF Consulting notes that many of these recommendations do not involve direct capital expenditures, as some of the items represent simple changes to the operating structure and staffing of the facility. We believe that implementation of these recommendations will allow the facility to become more competitive in its immediate local market and take full advantage of Shennecossett's positive attributes. Our recommendations also consider the overall value to the Town of Groton of having a facility like Shennecossett, value that cannot always be measured in monetary terms.

# APPENDIX

## APPENDIX A – DEMOGRAPHIC OVERVIEW DATA

### Additional Demographics

	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Population by Age - 2003</b>						
Age 0 to 4	6.4%	6.3%	6.4%	6.5%	6.5%	6.9%
Age 4 to 13	11.6%	11.9%	12.1%	12.0%	12.3%	12.6%
Age 14 to 17	5.3%	5.5%	5.5%	5.5%	5.5%	5.7%
Age 18 to 24	9.3%	8.7%	8.9%	8.9%	8.7%	9.7%
Age 25 to 34	12.7%	11.4%	12.4%	12.0%	11.9%	13.5%
Age 35 to 44	15.8%	16.2%	16.4%	15.8%	16.0%	15.2%
Age 45 to 54	14.6%	15.6%	15.1%	15.0%	15.0%	14.1%
Age 55 to 64	10.4%	10.9%	10.2%	10.5%	10.5%	9.8%
Age 65 to 74	6.8%	6.9%	6.5%	6.6%	6.6%	6.4%
Age 75 to 79	2.9%	2.8%	2.8%	2.9%	2.8%	2.6%
Age 80 to 84	2.2%	2.0%	2.0%	2.2%	2.2%	1.9%
Age 85 Plus	2.0%	1.9%	1.8%	2.1%	2.1%	1.7%
Median Age	38	39	38	38	39	36
<b>Income - 2003</b>						
Median HH Income	\$52,104	\$56,949	\$54,212	\$54,905	\$57,850	\$45,128
Per Capita Income	\$26,675	\$28,213	\$26,630	\$27,351	\$30,866	\$23,201
Average HH Income	\$67,212	\$72,401	\$68,068	\$69,864	\$80,126	\$61,579
<b>Household Income - 2003</b>						
Less than \$10,000	6.4%	5.4%	5.9%	7.1%	6.8%	9.2%
\$10,000 - \$14,999	4.7%	4.2%	4.2%	4.8%	4.5%	5.7%
\$15,000 - \$24,999	10.1%	9.2%	9.6%	9.5%	8.9%	11.8%
\$25,000 - \$34,999	10.9%	9.9%	10.4%	9.7%	9.2%	11.9%
\$35,000 - \$49,999	15.7%	14.7%	15.7%	14.5%	13.8%	16.2%
\$50,000 - \$74,999	21.8%	21.6%	22.4%	20.5%	19.6%	19.5%
\$75,000 - \$99,999	13.4%	14.7%	14.3%	14.2%	13.8%	11.1%
\$100,000 - \$124,999	7.5%	8.9%	8.1%	8.5%	8.8%	6.2%
\$125,000 - \$149,999	3.9%	4.5%	4.0%	4.3%	4.7%	3.0%
\$150,000 Plus	5.7%	7.0%	5.6%	6.9%	9.8%	5.4%
<b>Race - 2003</b>						
White	85.4%	90.1%	87.0%	82.5%	81.6%	75.1%
Black	6.1%	3.4%	5.3%	8.8%	9.1%	12.3%
American Indian/Eskimo	1.0%	0.7%	1.0%	0.3%	0.3%	0.9%
Asian/Pacific Islander	2.4%	1.7%	2.0%	2.2%	2.5%	3.8%
Other Race	5.2%	4.2%	4.7%	6.3%	6.5%	8.0%
<b>Ethnicity - 2003</b>						
Hispanic	6.3%	5.8%	5.7%	9.4%	10.4%	13.8%
Non Hispanic	93.7%	94.2%	94.3%	90.6%	89.6%	86.2%



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	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Housing - 2003</b>						
Total Housing Units	98,468	261,589	114,613	1,082,397	1,429,417	120,683,258
Owner Occupied Housing Units	56.8%	58.8%	60.7%	62.0%	63.1%	60.8%
Renter Occupied Housing Units	31.8%	22.3%	29.5%	31.4%	30.8%	30.2%
Vacant Units	11.4%	18.8%	9.8%	6.6%	6.1%	9.0%
<b>Households - 2003</b>						
Total Households	87,256	212,289	103,398	1,011,018	1,342,470	109,810,264
Average Household Size	2.4	2.5	2.4	2.5	2.5	2.6
Married Households w/Children	22.3%	24.7%	23.9%	23.2%	24.3%	24.6%
Married Households w/No Children	27.0%	29.1%	27.6%	27.0%	27.1%	26.5%
Nonfamily Households w/Children	10.2%	9.0%	10.1%	10.4%	10.0%	11.1%
Households - 1 Person	29.2%	26.2%	27.3%	28.0%	27.1%	26.3%
Households - 2 People	33.7%	34.6%	33.8%	32.6%	32.3%	32.4%
Households - 3 People	16.0%	16.4%	16.5%	16.3%	16.4%	16.4%
Households - 4 People	13.3%	14.5%	14.3%	14.4%	14.8%	14.1%
Households - 5 People	5.4%	5.8%	5.6%	6.0%	6.4%	6.5%
Households - 6+ People	2.4%	2.5%	2.4%	2.7%	3.0%	4.2%
<b>Educational Attainment - 2003</b>						
Population - Age 25 Plus	148,143	368,487	177,538	1,733,642	2,336,892	189,877,244
Less than 9th Grade	4.8%	4.2%	4.6%	5.7%	5.8%	7.6%
9th - 12th Grade	9.7%	8.8%	9.3%	10.5%	10.2%	12.1%
High School Graduate	31.3%	30.0%	32.0%	30.2%	28.5%	28.6%
Some College, No Degree	20.2%	19.7%	20.3%	18.3%	17.5%	21.1%
Associate Degree	7.2%	7.3%	7.5%	6.9%	6.6%	6.3%
Bachelor's Degree	15.3%	17.5%	15.2%	16.5%	18.2%	15.6%
Graduate or Prof. Degree	11.5%	12.4%	11.0%	12.0%	13.3%	8.9%

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### APPENDIX B – GOLF DEMAND OVERVIEW DATA

NGF predictive demand models are based on historical golfer participation characteristics, and they incorporate existing and emerging demographic trends in the subject market area. In January of each year, Market Facts mails golf participation surveys to 50,000 households nationwide to determine the previous years' golf participation characteristics. In order to be representative of the U.S. population, the observations are weighted to match total U.S. demographics. The NGF Golf Demand Model includes the critical combination of age and income, regional seasonality, and available golf course supply, as well as existing and emerging demographic trends in a particular market area.

The model can be used as a benchmark for estimating potential market strength in a particular area. Because the sample is so large, NGF is extremely confident of its accuracy. In statistical terms, the national participation rate is estimated to be 12.6 percent plus or minus 0.2 percent at the 90 percent confidence level. The table below illustrates how the Hartford-New Haven DMA ranks in relation to the other 210 DMAs nationwide on some key golf demand and supply measures.

Characteristic	Rank (of 211 DMAs)
Predicted Household Participation Rate	48
Predicted Golfing Households	27
Predicted Golf Rounds Demanded	37
Total Number of Facilities	33
<i>Public Facilities</i>	41
<i>Private Facilities</i>	26
<i>Resort Facilities</i>	150
<i>Premium Facilities</i>	37
<i>Standard Facilities</i>	24
<i>Value Facilities</i>	58

DMA Golf Demand Rankings	
Predicted Household Participation Rate	21%
<i>Rank (of 211 DMAs)</i>	48
Predicted Number of Golfing Households	206,250
<i>Rank (of 211 DMAs)</i>	27
Predicted Number of Rounds Demanded - 2002	3,950,285
<i>Rank (of 211 DMAs)</i>	37

### NGF Golf Demand Indices

The **Golfing Household Index** is based on Predicted Number of Golfing Households, which compares golfing household participation in a particular geography to the national base index of 100. The **Rounds Index** is based on Predicted Number of Rounds, which compares the propensity of rounds played per household in a particular geography to the national average rounds index of 100.

## DRAFT

The predictive indices for golfing households and rounds demanded were developed in order to determine the relative strength of a particular golf market area in comparison to other golf markets and the nation as a whole. These predictive demand indices help identify where golfing households and rounds activity are concentrated by comparing various geographies with one another and the national average, which is 100. For example, if a market has a Golfing Household Index of 120, that area is estimated to have 20 percent higher golf participation rate as compared to the U.S. average. And, if a market has a Rounds Index of 120, that area is estimated to have 20 percent higher average rounds per household as compared to the U.S. average.

Although both the *golfing household index* and the *rounds index* help to predict golf demand in a particular market, each index is derived independently and does not necessarily relate to the other. ***It is possible for an area with a low golfing household demand index to have a high rounds demand index and vice versa. In other words, some markets may have fewer golfing households, but those households play more rounds of golf; other markets may contain a large number of golfing households but the households play less frequently.*** A market area with a higher than average golfing household index in conjunction with a higher than average rounds index would be considered a prime area in terms of overall predicted golf demand.

### Predicted Golf Demand

	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Golfing Household Index</b>						
2003	98	98	99	103	108	100
2008	100	100	102	106	111	104
CAGR 2003 to 2008	0.4%	0.4%	0.6%	0.6%	0.6%	0.8%
<b>Rounds Played Index</b>						
2003	63	60	64	68	73	100
2008	65	62	66	71	75	105
CAGR 2003 to 2008	0.6%	0.6%	0.8%	0.6%	0.7%	0.9%

### NGF Golf Demand Mapping

NGF Consulting is able to illustrate the previous results by thematic mapping. The following maps illustrate the two different measures of relative golfing demand in the local markets – household participation and rounds played indices - by census block group. A census block group is the smallest unit used by the Census Bureau in tabulating its sample data. These maps identify the areas that have the highest concentration of golf activity, where the most amount of golf is likely to be demanded by permanent residents.

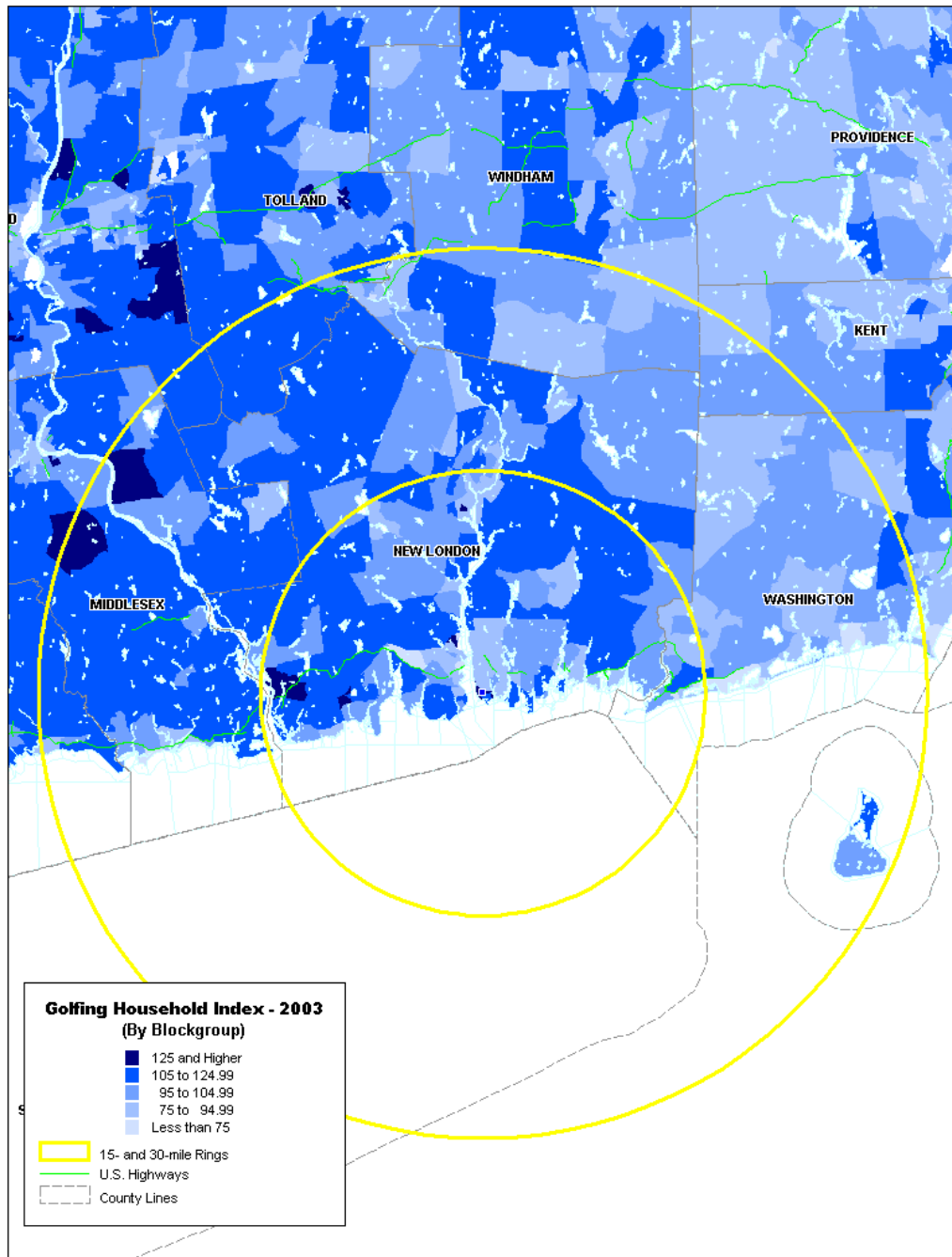
The purpose of NGF Consulting's thematic maps is to provide a general depiction of where golfers live and their golf activity as compared to nearby areas. However, since the delineation of census block groups are based on population and not geography some smaller areas within a block group may be overstated when mapped. The census block group level is the smallest and most detailed level available for mapping and it is therefore impossible to accurately depict the concentration of population within a block group. For this reason agricultural, industrial,

## DRAFT

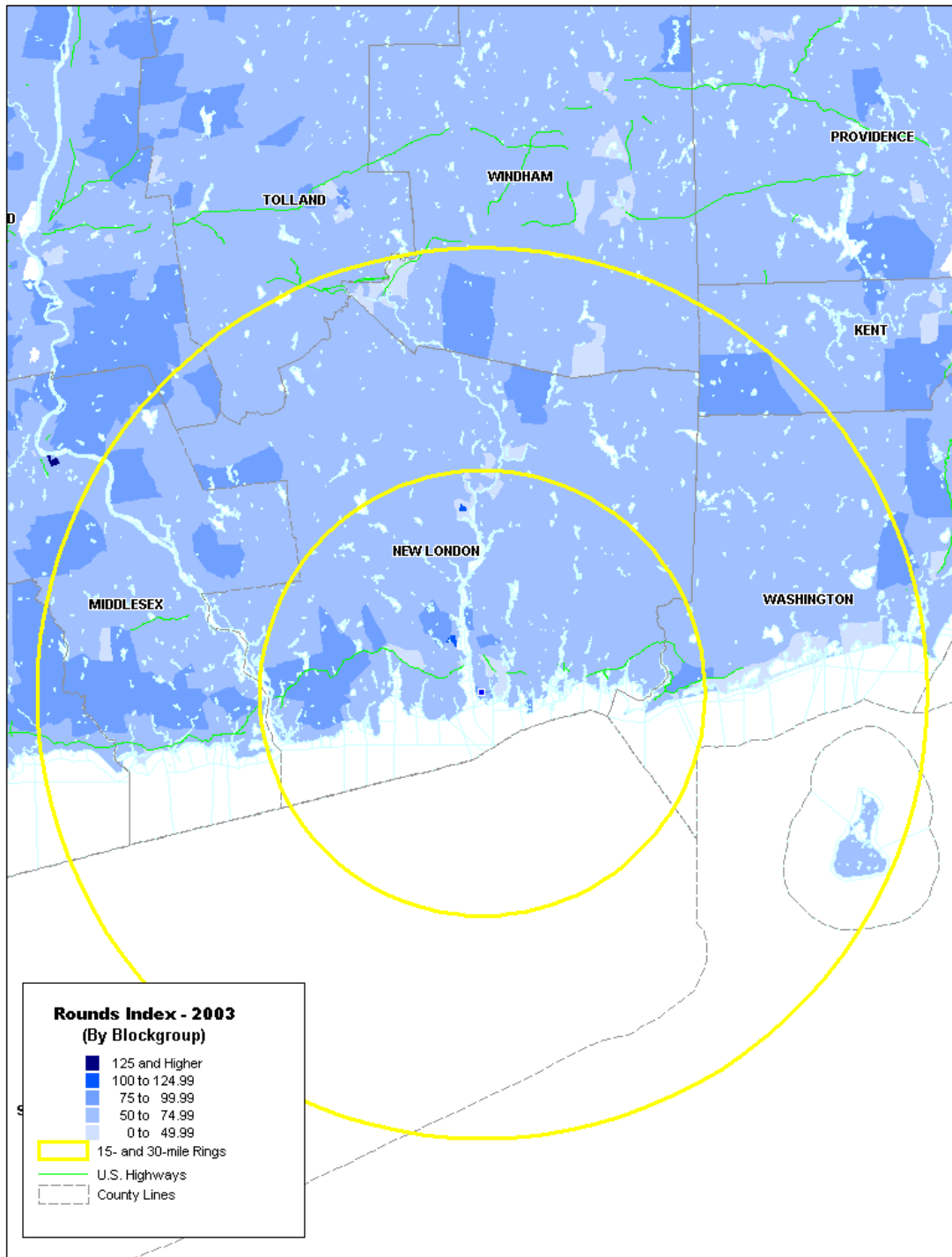
environmentally protected, or extremely rural areas within a block group may appear on the map to have a high concentration of golfing households or rounds when in actuality they have little to no golf activity. Simply stated, if the block group as a whole contains a high concentration of golfing households or rounds played than the entire block group will be highlighted accordingly.

The following maps illustrate the ***Golfing Household Index*** and the ***Rounds Index*** (national Year 2002 base index of 100) by census block group, for our defined local and regional markets.

Golfing Household Index Map



Rounds Index Map



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### Groton Area Visitor Golf Demand

The Mohegan Sun and Foxwoods Casinos, along with the Mystic Aquarium, Mystic Seaport and beaches of southern Connecticut, make this part of New London County the number one tourist destination in the state of Connecticut. The Connecticut Office of Tourism – Department of Economic and Community Development has released its tourism estimates for the year 2002. As we discussed in the Economic Overview section, the Department estimates that there were 11,484,000 ‘destination/ overnight person trips’ spent in Connecticut in 2002, excluding day-trippers and those people “passing through”.

Using the assumption that these were all adults and multiplying by the national golf participation rate of 11.4% gives us a total of approximately 387,000 visiting golfers coming to the southeastern Connecticut area in 2002. According to NGF's *Golf Consumer Profile - 1999*, about half of all golfers play when traveling, and they play an average of .557 rounds per day of travel. Assuming the average 2.2-day length of stay reported for New London County by the Office of Tourism, the potential rounds per golfer would be 1.23 rounds per trip. Multiplying out by the number of visiting golfers who play when traveling gives us a total of about 238,300 potential rounds of golf demanded. Assuming a modest yearly increase of three percent, over 276,000 rounds could be demanded by 2007.

Southeastern Connecticut Area Tourist Golf Demand (Total)		
	<u>2002</u>	<u>2007</u>
Estimated Adult Tourist Population	3,398,875	3,940,227
x Estimated Golf Participation Rate	11.4%	11.4%
= Estimated Visiting Golfers	387,472	449,186
x Estimated Traveling Golf Participation Rate	50%	50%
= Estimated Visiting Golfers Who Play	193,736	224,593
x Estimated Golf Frequency Rate	1.23 Rounds	1.23 Rounds
=Estimated Potential Visitor Rounds Demanded	238,295	276,249

This analysis was intended to be a conservative estimate of the **potential demand** for golf rounds from tourists to the Groton market area. While far from an exact science, the above exercise indicates that the visitor market in the Franklin/ New London County area has the potential to significantly impact the volume of local golf participation. The key to tapping into this market is availability and convenience of access to golf facilities, as well as carefully considered product positioning and marketing. Without these factors present, the number of **actual** rounds demanded from tourists is likely to be much less than that indicated by the model.

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## APPENDIX C – BASIC GOLF FACILITY SUPPLY DATA

	15 Miles: Shennecossett Golf Course	30 Miles: Shennecossett Golf Course	New London County	DMA: Hartford & New Haven, CT	Connecticut	U.S.
<b>Construction 1994 - 1998 (5 Years)</b>						
<b>Facilities:</b>						
<b>Total</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>10</b>	<b>10</b>	<b>1,735</b>
Public	1	3	1	10	10	1,529
Private	0	0	0	0	0	206
<b>Holes:</b>						
<b>Total</b>	<b>9</b>	<b>36</b>	<b>9</b>	<b>126</b>	<b>126</b>	<b>26,361</b>
Public	9	36	9	126	126	22,986
Private	0	0	0	0	0	3,375
<b>Percent of Total Holes:</b>						
<b>Total</b>	<b>3.45%</b>	<b>4.65%</b>	<b>3.70%</b>	<b>5.98%</b>	<b>4.36%</b>	<b>9.97%</b>
Public	5.88%	7.69%	5.88%	9.21%	7.87%	12.25%
Private	0.00%	0.00%	0.00%	0.00%	0.00%	4.40%
<b>Construction 1999 - 2003 (5 Years)</b>						
<b>Facilities:</b>						
<b>Total</b>	<b>0</b>	<b>8</b>	<b>1</b>	<b>9</b>	<b>10</b>	<b>1,716</b>
Public	0	6	1	8	8	1,378
Private	0	2	0	1	2	338
<b>Holes:</b>						
<b>Total</b>	<b>0</b>	<b>135</b>	<b>18</b>	<b>144</b>	<b>162</b>	<b>25,785</b>
Public	0	99	18	135	135	20,250
Private	0	36	0	9	27	5,535
<b>Percent of Total Holes:</b>						
<b>Total</b>	<b>0.00%</b>	<b>17.44%</b>	<b>7.41%</b>	<b>6.84%</b>	<b>5.61%</b>	<b>9.75%</b>
Public	0.00%	21.15%	11.76%	9.87%	8.43%	10.79%
Private	0.00%	11.76%	0.00%	1.22%	2.10%	7.21%
<b>Construction 1994 - 2003 (10 Years)</b>						
<b>Facilities:</b>						
<b>Total</b>	<b>1</b>	<b>11</b>	<b>2</b>	<b>19</b>	<b>20</b>	<b>3,451</b>
Public	1	9	2	18	18	2,907
Private	0	2	0	1	2	544
<b>Holes:</b>						
<b>Total</b>	<b>9</b>	<b>171</b>	<b>27</b>	<b>270</b>	<b>288</b>	<b>52,146</b>
Public	9	135	27	261	261	43,236
Private	0	36	0	9	27	8,910
<b>Percent of Total Holes:</b>						
<b>Total</b>	<b>3.45%</b>	<b>22.09%</b>	<b>11.11%</b>	<b>12.82%</b>	<b>9.97%</b>	<b>19.72%</b>
Public	5.88%	28.85%	17.65%	19.08%	16.29%	23.04%
Private	0.00%	11.76%	0.00%	1.22%	2.10%	11.61%
Source: NGF Project Tracking Database						



## APPENDIX D - MANAGEMENT ALTERNATIVES

The Town of Groton has several management options it can consider for the Shennecossett Golf Course. The following are descriptions of options that are used to operate municipal golf facilities and the advantages and disadvantages of each. But before examining each option, understanding the reasons why municipalities have employed various development choices may be helpful.

Analyzing the management options for the Shennecossett Golf Course gives the Town the opportunity to carefully consider which method of management is in its best interest. Arriving at the right method of management can be a complicated procedure because no two facilities have the same needs. Following are outlines of various management methods for consideration. There are hybrid versions, and the Town may wish to combine the best features of each option into a management method for the future operation of the facility.

Management contracts, operating leases, and concession agreements are the three most commonly used terms to describe a contract between a municipality and a private golf course operator. Each has significant differences, but there are several factors common to all three. The following is a brief comparison of the three options frequently used to operate municipal golf facilities.

### Reasons for Public/Private Joint Ventures

Governments have always provided public improvements for the benefit of their citizens. For as long as history has been recorded, governments in one form or another has taxed their citizens in order to provide services and build facilities.

It is only in the last half of the 20th century, that the private sector in the United States began playing a significant role in furnishing services and developing facilities that were traditionally looked upon as the sole responsibility of local, state or federal governments. The privatization of local government services and facilities became popular and continues to grow as we begin the new century. The private sector is now involved with building, operating and/or managing municipal facilities ranging from airports to zoos.

Golf courses have been privatized to varying degrees for many years. Many courses are leased to or managed by private operators rather than being self-operated by the municipality. The trend to out source the management and operation of municipal golf courses is believed to have gained popularity in California when the passage of California Proposition 13 in 1979 accelerated the privatization of municipal services. Many municipalities were forced to give up self-operation as a result of the constraints of Proposition 13, which rolled back property tax rates and resulted in massive budget cutting. California communities as well as other municipalities around the country elected to privatize because self-operation was deemed to be too costly and required a great deal of resources.

In the 80's, there was an increasing demand for more and higher quality public access golf courses. In many cases golfers looked to their communities to upgrade existing courses or constructing new courses. Communities all over the country who were being asked to respond to these needs were faced with the dilemma of having to choose between constructing such things as schools, sewage systems or roads and the request for improvements to golf courses. Some communities had the resources to do everything that was being asked of them. However,

## DRAFT

many communities that wanted new courses or to improve existing courses had to find alternative means of financing them.

The lack of resources was not the only thing that impacted golf course improvements or development. Some elected officials and voters questioned government's responsibility to provide golf services. Philosophically, many people still feel golf is a game for "rich old men" and object to government operating municipal courses. Others however, recognized golf as a very beneficial recreational activity for all ages, both sexes and all socio-economic groups. In an attempt to provide better municipal golf facilities, without alienating certain segments of the community, governments began applying the concept of privatizing golf course operation and development.

### Management Options

Analyzing the management options for Shennecossett gives the Town the opportunity to carefully consider which method of management is in its best interest. Arriving at the right method of management can be a complicated procedure because no two facilities have the same needs. Following are outlines of various management methods for consideration. There are hybrid versions and the Town may wish to combine the best features of each option into a management method for the future operation of the facility. It should be noted that the following options assume that both the golf services and maintenance operations will be privatized. However there are many examples of municipalities who opted to privatize only the golf services and self operate the maintenance operation, while other have privatized the maintenance operation and self operate the golf services.

Management contracts, operating leases, and concession agreements are the three most commonly used terms to describe a contract between a municipality and a golf course management firm. Each has significant differences; however, there are several factors common to all three. The following is a brief comparison of the four options frequently used to operate municipal golf facilities.

### Management Contract

The primary goal of a management contract or management agreement is to provide the golf facility with experienced, professional managers who are responsible for the daily operations, thus relieving the municipality of this task regardless of the method used to finance the development of the golf course.

In a typical management contract, the municipality hires a firm that is charged with all management responsibility. The municipality funds all capital improvements, and the management firm hires all employees. Because employees work for the management firm and not the municipality payroll cost may be less, thus, the operating expenses may be reduced.

The management firm collects all revenue and provides accounting reports to the municipality. All revenues belong to the municipality, as well as the responsibility for all expenses. The municipality reimburses the management firm for all payroll expenses and pays the firm a management fee. The management fee is often a fixed dollar amount, a predetermined percentage of operating revenues, or some combination of both. Sometimes, the management firm is paid an incentive that is predicated on percentages of gross receipts or net income, over and above the established minimum revenues. The operating expense budget must be maintained at the original projection for incentives to be earned.

## DRAFT

Management fees vary depending on the size of the facility and the level of responsibility of the management firm. Incentives built into the agreement would allow the firm to earn additional fees.

The management firm submits detailed budgets to the municipality prior to the operating year. The municipality monitors the firm's utilization of budgeted funds and is responsible for any unforeseen expenses beyond the control of the management firm.

Because of the close working relationship between the municipality and the management firm, the changing golf economy, and capital requirements of golf courses, the typical management contract requires frequent revision. The length of the typical agreement is relatively short, two to five years, and may include option periods.

A management contract is appropriate when substantial capital is not needed for the physical facility, and the municipality could oversee the management firm's operation of the facility. That is, the municipality should have an individual whose responsibility is to monitor the work of the management firm to insure contract compliance.

In conjunction with a well-constructed contract, the management contract form of operation provides the controls necessary to protect a substantial asset, provides the greatest amount of up-side revenue potential to the municipality, allows the municipality the most input into operating and capital programs, and provides the most flexibility of any management style, short of self-operation. In situations such as Shennecossett, often the management firm can effect changes that otherwise would be more difficult to change by the Town because of political pressure in the community. In other words, the management firm is better prepared to take the heat that will result from changes in operation than the Town of Groton's elected and appointed officials.

There are potential downsides to the management contract option. The municipality would need a person with golf course expertise who could spend a significant amount of time overseeing the golf operation. The major concern with a management contract is the risk the municipality would be taking relative to shortfalls. The management firm's fee is guaranteed, as long as the contract provisions have been met. If new facilities open in the area and negatively impact revenue or a natural disaster occurs, the municipality could be left with a shortfall.

### Advantages and Disadvantages of a Management Contract

The advantages of a management contract are:

- The municipality is removed from day-to-day operation in exchange for a payment of a pre-determined fee plus a percentage of gross revenues or some other formula, which is equitable to both parties. In addition all net revenues are retained by the municipality.
- Operating costs may be reduced because the management firm hires all employees at costs that can be less than what the municipality would have to pay.

The disadvantages of a management contract are:

- This option offers the municipality less control than self-operation, but probably more control than with the operating lease.
- Although it can be considered a disadvantage, the municipality may receive lower

## DRAFT

net revenues than through self-operation, due to the fees and incentives paid to the management firm. However, the savings from lower payroll costs may offset the lower revenues.

### Operating Lease

The primary goals of an operating lease are to relieve the municipality of all operating concerns, to ensure a minimum rent payment to the municipality, and to improve and/or protect the asset.

An operating lease is similar to a management contract in that the lessee, like the management firm, hires and fires all employees and is responsible for the day-to-day operation of the facility. The difference between the two is that the lessee would be committed to pay the municipality a fixed rent, pay all operating expenses and, typically, provide some capital for investment in the golf facility. The amount of capital investment differs depending on the subject facility.

A lease agreement for Shennecossett would also require a lessee to supply the personal property necessary for the operations. This would include golf course maintenance equipment, golf carts, clubhouse furnishings, and all operating licenses. Often, a lessee may be required to make course and building improvements (clubhouse, maintenance barn, cart storage, etc.).

Some disadvantages of the operating lease are that the municipality would likely receive less of the upside revenue potential than with a management contract. Under the terms of an operating lease the management firm keeps all net revenues.

In an operating lease, the municipality would be less involved in operating and personnel decisions and would have little or no involvement in determining operating expense budgets.

However, if lease agreement is properly constructed, with an emphasis on lessee controls, reports, maintenance specifications, and capital improvement provisions, the operating lease can provide the necessary protection for the municipality and the golf facility asset.

As with all management options the municipality should have a person who has golf course expertise monitoring the operation and enforcing contract compliance.

### Advantages and Disadvantages of an Operating Lease

The advantages of the operating lease are:

- The municipality is removed from day-to-day operation in exchange for a pre-determined rent.
- The lessee may be required to make capital improvement that the municipality would not otherwise be able to fund under self-operation or a management contract.

The disadvantages of the operating lease are:

- Shennecossett This option offers the municipality the least amount of control over the golf course operation.
- The term of the lease is frequently longer particularly if the lessee is required to make capital improvements.

## DRAFT

- The lessee may be forced to cut maintenance expenses and raise fees to financially justify the operation.
- The municipality would receive significantly less revenue than it would through self-operation or a management contract.

### Concession Agreement

This form of agreement is similar to a lease agreement. However, a concession agreement usually involves granting a license to operate a facility rather than the right to occupy the premises. Concession agreements are thought to be easier to cancel than a lease agreement. They are frequently for a shorter term compared to a lease and contain more controls. Concessions agreements are usually granted for properties in "as is" condition and seldom require the concessionaire to make major physical improvements to the facility.

Concessionaires are frequently permitted to use course-owned equipment with only the obligation to maintain the equipment. Because of the short term of most concession agreements, there is little incentive to make major investments on the part of the concessionaire. Payment to the municipality for a concession license is usually a flat fee plus a percentage of gross receipts.

### Advantages and Disadvantages of a Concession Agreement

The advantages of a concession agreement are:

- The municipality would be removed from the day-to-day operation in exchange for a pre-determined fee plus a percentage of gross receipts.
- Concession agreements provide more control than an operating lease, but less than a management contract.
- The term of a concession agreement is typically shorter than an operating lease.

The disadvantages of a concession agreement are:

- The municipality would be responsible for all major capital improvements.
- There are likely to be fewer highly qualified management firms interested in a short-term concession agreement. Management firms frequently prefer to put their resources into projects that have longer terms and have the potential to be more financially rewarding.

### Self-Operation

There are more than 2,400 municipal golf facilities in the United States. The majority of these facilities are self-operated by governmental jurisdictions, be it a city, town, county, state, or park district. Since the first municipal course in the United States (Van Courtlandt Park) opened in New York City in 1895, municipal governments have developed and operated public access golf courses. Not only are there long traditions of self-operated municipal golf facilities, the majority of these facilities are successfully providing their communities with affordable golf opportunities. Many facilities that have retired capital debt payments are able to operate on a self-sustaining

## DRAFT

basis and several generate excess revenues for other recreational activities or community services.

Self-operation gives the municipality the greatest control over the golf operation. In the case of Shennecossett the Town retains control over all employees, establishing policies and procedures, hours of operation, fee schedules, and operating and capital budgets. All revenues would be available to pay for operating and maintaining the facility and upgrading areas that need improvements. None of the revenue would be taken as profit as would be the case with a privately leased facility or used to pay management fees.

Self-operation could assure that improvements would be funded and made in a timely manner. If the Town elects to lease the facility to a private operator or grant a concession contract to an operator, it is not likely capital improvements would be completed as quickly or extensively as they would by the Town.

Self-operation also has its downside as some municipalities have painfully learned. In an attempt to capture the favor of their residents, some municipal golf operations have been managed by political decisions rather than business decisions. Invariably, these operations begin to suffer from a lack of resources due to low revenues and high expenses. When revenues are inadequate to meet operating expenses, budgets are cut and the quality of the facility begins to deteriorate. This often results in a loss of customers and a further loss of revenues. The golf operation usually goes into a downward spiral, until it hits bottom. At that point, the municipality either tries to lease the facility to a private operator or faces a costly restoration to bring the facility back to a condition that is competitive with other area courses.

### Advantages and Disadvantages of Self-Operation

The advantages of self-operation are:

- The municipality has complete control over the operation and maintenance of the golf facility.
- All revenues would flow to the municipality.
- Management fees would not be included in the operating expenses paid by the municipality.
- Capital improvements can be accomplished more quickly provided that funds are available.
- Municipalities have various options to acquire capital funding that are not available to the private sector and their cost of borrowing money is frequently far less.

The disadvantages of self-operation are:

- The policies and procedures that govern the golf operation may be influenced more by political decisions than business decisions.
- The facility can be encumbered by bureaucratic procedures that prevent the golf operation from being reactive to market conditions or unique circumstances.
- Personnel costs, which account for the majority of a golf facility's budget, can be higher than the private sector's due to mandated wages and fringe benefits.
- Hiring and firing personnel can take weeks and months whereas the private sector can do it in a few days.

## DRAFT

- Capital improvements can be delayed or postponed indefinitely when funds are not available.

### **Management Comparisons**

The chart on the following page identifies the major differences of the four golf course management options, which may be available to the Town of Groton. These options assume that the entire golf operation including the maintenance of the courses will be the responsibility of the management firm, lessee, concessionaire or the Town depending on which management option is selected.



## DRAFT

<b>Contractual Obligations</b>	<b>Management Contract</b>	<b>Operating Lease</b>	<b>Concession Agreement</b>	<b>Self Operation</b>
<b>Term of Contract</b>	Initial contract may be for two to five years with two-year options.	Initial contract may be ten or more years with options depending on amount of capital improvements.	Initial contract may be for three years with two, one year options.	Not Applicable.
<b>Payment</b>	TOWN pays management firm a fixed fee, a percentage of revenues or a combination of both for its services, plus incentives.	Lessee pays TOWN a fixed fee or a percentage of gross receipts whichever is higher.	Concessionaire pays TOWN a flat fee, plus a percentage of gross receipts.	Not Applicable.
<b>Capital Improvements</b>	TOWN pays for all improvements.	Lessee is required to pay for all improvements. TOWN may give lessee relief from rent schedule in consideration for cost of improvements.	Concessionaire may pay for minor items; TOWN pays for all major projects.	TOWN is responsible for all capital improvements.
<b>Operation and Maintenance Budgets</b>	TOWN has total responsibility for the budget managed by the firm.	Lessee has budget responsibility. TOWN should have authorization to review expenditures for maintenance and capital improvements.	Concessionaire has budget responsibility. TOWN should require authorization to review expenditures to verify contract compliance.	TOWN has complete control over golf budget.
<b>Revenues</b>	All revenues belong to TOWN.	All revenues belong to the lessee.	All revenues belong to the concessionaire.	All revenues belong to TOWN.
<b>Fees and Charges</b>	Recommended by the management firm and approved by TOWN.	Set by the lessee, approved by TOWN. Approval should not be denied if fees are competitive with market.	Recommended by the concessionaire, approved by TOWN.	Established by TOWN.
<b>Hours of Operation</b>	Recommended by the management firm and approved by TOWN.	Recommended by the lessee, approved by TOWN.	Recommended by the concessionaire, approved by TOWN.	Established by TOWN.
<b>Staffing</b>	TOWN must have approval over management firm's staff. All employees belong to the firm. TOWN reimburses firm for payroll expenses.	TOWN can demand that key staff be replaced if lessee fails to comply with contract requirements.	TOWN has approval over key staff.	TOWN is responsible for all employees.
<b>Equipment</b>	TOWN retains ownership of equipment and pays for the cost of repairs.	Lessee is required to provide all equipment. TOWN may elect to sell lessee its equipment or use it elsewhere.	TOWN may include the use of its equipment in the agreement; concessionaire is obligated to maintain and replace equipment as needed.	TOWN purchases, maintains, and replaces all equipment.



## APPENDIX E – CLASP DATA SUPPLEMENT AND SAMPLE SURVEY



### Executive Summary

Course: **Shennecossett Golf Course**  
Time Period: **From 2/29/2004 to 8/30/2004**  
Player Type: **Overall**  
Last Played This Course: **Overall (within the past 12 months)**

The following are key findings with regard to your customer satisfaction study. This report is based on **169** total responses.

#### 5 Factors Most Important to Your Golfers:

3. Overall Course Conditions (tees, fairways)
4. Overall Value of Course
5. Condition of Greens
6. Pace of Play
7. Convenience of Course Location

**NGF Loyalty Index:** 12%

#### The Competition

Listed below are those facilities that your golfers indicated they play most often in the area. You may consider these facilities your closest competition:

- Elmridge Golf Course
- Pequot Golf Club
- Norwich Golf Course
- Cedar Ridge Golf Course
- Exeter Country Club

#### Satisfaction Ratings vs. the Competition

When compared to the local competition, your facility has a **higher satisfaction rating** for the following factors:

- Convenience of Course Location
- Scenery and Aesthetics of Course
- Friendliness/Service of Staff
- Food and Beverage Service

## DRAFT

When compared to the local competition, your facility has a **lower satisfaction rating** for the following factors:

- Condition of Greens

### Share of Wallet

You have an average of 66% of your customers' overall business.

### Frequent Customers

Characteristics of frequent customers at Shennecossett Golf Course:

- Age 50+
- Male
- Income from \$50,000 - 99,999
- Average Number of Rounds Played Annually - 25+
- Average Score: 80 to 99

### Satisfaction at your Facility

Shennecossett Golf Course was **well above** the benchmark for the following factors (index of 110 or more):

- None

Shennecossett Golf Course was **well below** the benchmark for the following factors (index of 90 or less):

- Overall Course Conditions (tees, fairways)
- Condition of Greens

### Satisfaction Importance

1. Overall Value of Course	69%	53%
2. Convenience of Course Location	88%	22%
3. Tee-time Availability	55%	20%
4. Overall Course Conditions (tees, fairways)	43%	57%
5. Condition of Greens	31%	31%
6. Scenery and Aesthetics of Course	75%	14%
7. Pace of Play	51%	23%
8. Condition of Golf Cars	71%	1%
9. Amenities (clubhouse, pro shop, locker room)	48%	2%
10. Friendliness/Service of Staff	78%	9%
11. Food and Beverage Service	71%	1%
12. On-course Services (restrooms, drinking water)	39%	3%
13. Overall experience	67%	11%

# DRAFT

## NGF Loyalty Index

Shown below is the loyalty breakdown at your facility, based on 133 qualifying responses. 12% of your golfers are loyal to your course.

Shennecossett Golf Course		Benchmark <sup>1</sup>
<i>Loyal golfers at your facility:</i>	<b>12%</b>	<b>22%</b>
<i>Somewhat vulnerable golfers at your facility:</i>	<b>41%</b>	<b>49%</b>
<i>Highly vulnerable golfers at your facility:</i>	<b>41%</b>	<b>27%</b>
<i>Golfers not loyal to your facility:</i>	<b>7%</b>	<b>1%</b>
<sup>1</sup> Percentage of golfer loyalty at national courses, price level (28 courses, 4294 responses) for the same date range and player type. If the benchmark is displayed as "n/a", there were not enough responses to create a benchmark for your chosen comparative set. Try to increase the scope of your benchmark selection. © National Golf Foundation		

## Competitive Analysis

Your share of your customers' business vs. the competition, for only those that live within 30 miles of your facility. This report is based on **152** total responses.

Course	Market Share <sup>1</sup>
Shennecossett Golf Course	66%
Elmridge Golf Course	8%
Pequot Golf Club	3%
Norwich Golf Course	2%
Cedar Ridge Golf Course	1%
Exeter Country Club	1%
Richmond Country Club	1%
Fenner Hill Country Club	1%
River Ridge Golf Course	1%
Winnapaug Golf & Country Club	1%
New London Country Club	1%
Brooklyn Country Club	0%
Stonington Country Club	0%
Wood River Golf	0%
Buena Vista Golf Course	0%
<sup>1</sup> Based on total volume of rounds played. © National Golf Foundation	

# DRAFT

## Satisfaction Ratings vs. Competition

This report is based on **169** total responses.

### Business Drivers

In order of importance to your customers:

	<b>Shennecossett Golf Course<sup>1</sup></b>	<b>Elmridge Golf Course<sup>1</sup></b>	<b>Pequot Golf Club<sup>1</sup></b>	<b>Norwich Golf Course<sup>1</sup></b>	<b>National Average<sup>2</sup></b>
Overall Course Conditions (tees, fairways)	43%	61%	44%	84%	63%
Overall Value of Course	69%	47%	71%	48%	70%
Condition of Greens	31%	44%	44%	96%	62%
Pace of Play	51%	47%	47%	42%	58%
Convenience of Course Location	88%	59%	55%	58%	73%
Tee-time Availability	55%	68%	55%	24%	72%
Scenery and Aesthetics of Course	75%	42%	47%	60%	65%
Overall experience	67%	49%	52%	83%	74%
Friendliness/Service of Staff	78%	59%	58%	60%	78%
On-course Services (restrooms, drinking water)	39%	24%	30%	52%	48%
Amenities (clubhouse, pro shop, locker room)	48%	50%	36%	64%	54%
Food and Beverage Service	71%	47%	36%	60%	59%
Condition of Golf Cars	71%	46%	56%	78%	68%
<sup>1</sup> Percentage of customers who are somewhat or very satisfied.					
<sup>2</sup> Indicates percentage of golfers who are somewhat or very satisfied nationally at courses of same type, green fee and player type (any filter).					
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# DRAFT

## Share of Wallet

Percentage of your customers' overall rounds played at your facility.

Customer Segments	Average Rounds Played at Shennecossett Golf Course	Average Annual Rounds	% Rounds Played at Your Facility
<b>Overall</b>	<b>32</b>	<b>50</b>	<b>64%</b>
<b>Age</b>			
Under 30	14	33	42%
30 - 49	12	29	41%
50+	46	65	71%
<b>Gender</b>			
Male	32	50	64%
Female	35	56	63%
<b>Income</b>			
Less Than \$50,000	34	50	68%
\$50,000 - 99,999	26	44	59%
\$100,000 or more	24	46	52%
<b>Rounds Played</b>			
Less than 8	2	4	50%
8 - 24	6	15	40%
25+	43	65	66%
<b>Average Score</b>			
Under 80	35	50	70%
80 - 99	34	54	63%
100 or more	21	36	58%
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# DRAFT

		Age			Gender		Household Income			Rounds Played			Customers <sup>1</sup>		Loyalty	
Business Drivers	Overall	Under 30	30 - 49	50+	Male	Female	Under \$50K	\$50K - \$99K	\$100K+	Under 8	8 - 24	25+	New	Existing	Loyal	Not Loyal
Most Popular Radio Stations																
WNLC (98.7 FM)	14%	0%	0%	24%	14%	18%	13%	8%	6%	14%	2%	17%	0%	16%	13%	14%
WSUB (980 AM)	14%	11%	16%	14%	14%	6%	13%	15%	9%	0%	14%	14%	0%	16%	25%	14%
None (0 AM)	12%	26%	24%	3%	11%	18%	10%	20%	6%	29%	26%	6%	41%	6%	25%	14%
WCTY (97.7 FM)	9%	16%	6%	11%	10%	6%	10%	14%	6%	14%	7%	10%	4%	11%	6%	9%
WBEA (104.7 FM)	6%	11%	16%	0%	7%	0%	3%	8%	9%	14%	12%	3%	7%	6%	0%	7%
WTIC (1080 AM)	6%	0%	12%	4%	6%	0%	0%	11%	6%	0%	14%	3%	4%	6%	0%	9%
WNPR (89.1 FM)	5%	5%	4%	6%	5%	6%	3%	5%	9%	14%	10%	3%	15%	4%	6%	6%
WKNL (100.9 FM)	5%	5%	2%	8%	6%	0%	8%	9%	0%	0%	7%	5%	4%	6%	6%	5%
None (0.0 FM)	4%	11%	10%	0%	4%	6%	3%	9%	0%	29%	7%	2%	15%	2%	6%	5%
WWRX-FM (103.7 FM)	4%	5%	8%	1%	4%	0%	5%	2%	6%	0%	2%	4%	7%	3%	0%	3%
WQGN-FM (105.5 FM)	3%	5%	4%	2%	3%	0%	3%	5%	0%	0%	2%	3%	0%	4%	6%	3%
WAXK (102.3 FM)	3%	0%	6%	2%	3%	6%	0%	6%	3%	0%	5%	3%	0%	4%	0%	4%
WBMW (106.5 FM)	2%	0%	2%	3%	2%	6%	0%	5%	3%	0%	2%	3%	4%	2%	6%	3%
WICH (1310 AM)	2%	11%	2%	1%	3%	0%	5%	3%	0%	0%	7%	1%	4%	2%	0%	3%
WADK-FM (99.3 FM)	2%	0%	4%	1%	1%	6%	3%	3%	0%	0%	2%	2%	0%	2%	6%	2%
<sup>1</sup> "New" golfers are those who played your course for the first time within the past 2 years, while "Existing" golfers are those who played your course for the first time more than 2 years ago. © National Golf Foundation																

# DRAFT

		Age			Gender		Household Income			Rounds Played			Customers <sup>1</sup>		Loyalty	
Business Drivers	Overall	Under 30	30 - 49	50+	Male	Female	Under \$50K	\$50K - \$99K	\$100K+	Under 8	8 - 24	25+	New	Existing	Loyal	Not Loyal
<b>Most Popular Television Stations</b>																
ESPN	40%	63%	60%	28%	42%	24%	31%	48%	52%	57%	50%	36%	56%	38%	38%	44%
The Golf Channel	18%	21%	30%	13%	20%	6%	18%	20%	18%	14%	31%	14%	22%	18%	44%	17%
CBS	16%	16%	26%	11%	17%	12%	21%	17%	12%	14%	19%	15%	22%	15%	13%	18%
CNN	16%	16%	10%	20%	17%	12%	23%	11%	18%	14%	14%	17%	19%	16%	13%	16%
ABC	15%	5%	14%	19%	16%	12%	23%	12%	3%	n/a	14%	17%	11%	16%	13%	18%
History Channel	14%	5%	18%	14%	15%	6%	15%	17%	9%	n/a	17%	13%	7%	15%	19%	17%
Discovery Channel	11%	16%	12%	9%	10%	18%	8%	18%	n/a	14%	21%	7%	11%	11%	19%	11%
NBC	10%	16%	18%	5%	11%	6%	10%	11%	12%	14%	14%	8%	19%	9%	0%	12%
USA	8%	5%	8%	10%	9%	n/a	8%	9%	6%	n/a	17%	6%	7%	9%	0%	11%
A & E	7%	5%	12%	4%	6%	12%	5%	9%	9%	14%	10%	5%	11%	6%	19%	6%
TNT	6%	5%	4%	8%	6%	6%	3%	11%	3%	n/a	2%	8%	n/a	7%	0%	7%
Yes Network	6%	11%	8%	4%	6%	n/a	8%	2%	12%	n/a	7%	6%	15%	4%	19%	3%
Fox	5%	11%	6%	4%	5%	6%	5%	5%	6%	n/a	2%	7%	7%	5%	0%	7%
Weather Channel	5%	n/a	12%	2%	5%	6%	n/a	12%	n/a	n/a	2%	6%	4%	5%	0%	7%
CNBC	4%	5%	4%	4%	4%	6%	3%	6%	3%	n/a	n/a	6%	4%	4%	0%	5%
TBS	4%	n/a	6%	3%	4%	n/a	n/a	6%	3%	n/a	5%	3%	n/a	4%	0%	4%
Fox Sports	3%	5%	6%	1%	3%	n/a	3%	5%	3%	14%	5%	2%	n/a	4%	0%	4%
MSNBC	3%	11%	2%	2%	3%	n/a	5%	3%	3%	n/a	2%	3%	4%	3%	0%	3%
MTV	3%	21%	2%	n/a	3%	n/a	5%	3%	3%	n/a	5%	3%	7%	2%	6%	3%
Food Network	2%	11%	2%	n/a	2%	6%	8%	2%	n/a	n/a	5%	2%	11%	1%	19%	0%
Lifetime	2%	5%	n/a	3%	2%	6%	n/a	2%	6%	n/a	2%	3%	4%	2%	6%	2%
TLC (The Learning Channel)	2%	16%	n/a	1%	3%	n/a	5%	3%	n/a	n/a	5%	2%	4%	2%	19%	1%
None	2%	11%	2%	1%	3%	n/a	3%	5%	n/a	n/a	n/a	3%	4%	2%	6%	3%
Fox News	2%	5%	4%	n/a	2%	n/a	3%	2%	n/a	14%	2%	1%	4%	1%	0%	3%
E!	1%	n/a	4%	n/a	1%	6%	n/a	3%	n/a	14%	2%	n/a	4%	1%	0%	2%
Travel Network	1%	n/a	n/a	1%	n/a	6%	n/a	2%	n/a	n/a	n/a	1%	n/a	1%	0%	1%
UPN	1%	n/a	n/a	1%	1%	n/a	n/a	n/a	n/a	n/a	2%	n/a	n/a	1%	0%	1%

# DRAFT

		Age			Gender		Household Income			Rounds Played			Customers <sup>1</sup>		Loyalty	
Business Drivers	Overall	Under 30	30 - 49	50+	Male	Female	Under \$50K	\$50K - \$99K	\$100K+	Under 8	8 - 24	25+	New	Existing	Loyal	Not Loyal
<b>Most Popular Newspaper Topics</b>																
<b>Sports</b>	80%	84%	80%	84%	82%	65%	82%	85%	85%	57%	81%	81%	63%	84%	75%	81%
<b>Local News</b>	78%	58%	72%	88%	79%	88%	72%	83%	79%	71%	67%	82%	63%	82%	81%	78%
<b>National News</b>	60%	53%	52%	69%	63%	53%	46%	67%	64%	43%	55%	63%	52%	63%	56%	64%
<b>Weather</b>	40%	32%	36%	44%	38%	59%	36%	35%	48%	14%	36%	43%	37%	41%	56%	36%
<b>Obituaries</b>	33%	n/a	12%	54%	32%	53%	28%	33%	18%	14%	14%	41%	7%	39%	25%	34%
<b>Entertainment</b>	31%	53%	26%	29%	28%	65%	28%	36%	27%	29%	36%	29%	22%	33%	50%	28%
<b>Business</b>	27%	21%	24%	32%	27%	29%	21%	21%	45%	29%	24%	28%	22%	29%	25%	26%
<b>Comics</b>	22%	47%	10%	26%	25%	6%	36%	18%	15%	29%	24%	22%	22%	23%	38%	22%
<b>Classifieds</b>	19%	53%	24%	11%	21%	6%	26%	26%	6%	14%	21%	18%	22%	19%	44%	18%
<b>Weekend</b>	14%	11%	18%	12%	13%	29%	5%	21%	12%	14%	10%	16%	7%	16%	25%	9%
<b>Coupons</b>	14%	16%	10%	16%	13%	24%	18%	15%	9%	n/a	10%	16%	7%	15%	19%	13%
<b>Travel</b>	11%	11%	14%	10%	11%	12%	10%	6%	15%	n/a	12%	12%	7%	12%	19%	10%
<b>Advice</b>	4%	5%	2%	5%	5%	n/a	10%	2%	n/a	n/a	2%	5%	n/a	5%	0%	4%
<b>None</b>	2%	n/a	4%	1%	2%	n/a	3%	3%	n/a	n/a	2%	2%	4%	1%	6%	2%
<sup>1</sup> "New" golfers are those who played your course for the first time within the past 2 years, while "Existing" golfers are those who played your course for the first time more than 2 years ago. © National Golf Foundation																



## DRAFT

Note: Percentages are cumulative.

### Distance In Miles (based on 162 responses)

5 Miles	38%
10 Miles	67%
15 Miles	84%
30 Miles	94%

### Distance In Minutes (based on 143 responses)

10 Minutes	27%
20 Minutes	79%
30 Minutes	92%

## Characteristics of surveyed golfers.

This report is based on **169** total responses.

Customer Segments	Survey Respondents
<b>Age</b>	
Under 30	12%
30 - 49	31%
50+	57%
<b>Gender</b>	
Male	90%
Female	10%
<b>Income</b>	
Less Than \$50,000	28%
\$50,000 - 99,999	48%
\$100,000 or more	24%
<b>Rounds Played at This Course</b>	
Less than 8	31%
8 - 24	17%
25+	51%
<b>Total Number of Rounds Played</b>	
Less than 8	4%
8 - 24	25%
25+	71%
<b>Average Score</b>	
Under 80	9%
80 - 99	68%
100 or more	23%

# DRAFT

		Age			Gender		Household Income			Rounds Played			Customers <sup>1</sup>		Loyalty	
Reasons	Overall	Under 30	30 - 49	50+	Male	Female	Under \$50K	\$50K - \$99K	\$100K+	Under 8	8 - 24	25+	New	Existing	Loyal	Not Loyal
Proximity to residence	68%	53%	70%	73%	70%	71%	62%	65%	79%	86%	57%	71%	48%	73%	56%	70%
Affordability	58%	58%	54%	63%	59%	59%	56%	53%	79%	29%	57%	60%	63%	58%	81%	57%
Friends play here	53%	53%	40%	59%	53%	65%	59%	45%	67%	57%	40%	57%	59%	53%	31%	50%
Reputation of course	24%	37%	24%	23%	24%	24%	31%	26%	24%	n/a	31%	22%	30%	23%	81%	21%
Tee-time availability	20%	26%	16%	22%	22%	12%	33%	18%	15%	n/a	14%	23%	30%	19%	44%	21%
Other	17%	21%	22%	14%	18%	n/a	13%	17%	15%	14%	19%	16%	11%	18%	19%	16%
Quality of service	12%	16%	14%	12%	13%	12%	23%	11%	6%	n/a	7%	15%	22%	11%	31%	10%
Variety	11%	16%	16%	6%	11%	12%	5%	15%	15%	n/a	17%	9%	11%	11%	13%	12%
Special discount	9%	16%	8%	10%	9%	6%	15%	5%	3%	n/a	12%	9%	15%	9%	13%	11%

<sup>1</sup> "New" golfers are those who played your course for the first time within the past 2 years, while "Existing" golfers are those who played your course for the first time more than 2 years ago.

# DRAFT

			Age			Gender		Household Income			Rounds Played			Customers <sup>1</sup>		Loyalty	
Business Drivers	Overall	Index	Under 30	30 - 49	50+	Male	Female	Under \$50K	\$50K - \$99K	\$100K+	Under 8	8 - 24	25+	New	Existing	Loyal	Not Loyal
Convenience of Course Location	4.45	110 *	4.32	4.30	4.54	4.43	4.81	4.39	4.39	4.36	4.57	4.28	4.50	4.00	4.54	4.75	4.35
Friendliness/Service of Staff	4.20	103 *	4.63	3.80	4.33	4.19	4.29	4.59	4.00	3.94	3.86	3.93	4.31	4.23	4.19	4.81	4.13
Condition of Golf Cars	4.04	104 *	4.17	3.70	4.22	4.07	3.77	4.39	3.76	4.03	3.80	3.76	4.15	4.08	4.03	4.71	3.95
Scenery and Aesthetics of Course	4.00	105 *	4.39	3.86	4.01	3.97	4.19	4.24	3.94	3.81	4.00	4.18	3.94	4.27	3.95	4.75	3.93
Food and Beverage Service	3.93	107 *	4.05	3.90	3.90	3.93	3.93	4.00	3.80	4.03	3.83	3.90	3.95	3.92	3.93	4.31	3.82
Overall Value of Course	3.88	100 *	3.68	3.82	3.97	3.86	4.06	3.97	3.70	4.06	3.86	3.63	3.97	3.63	3.93	4.53	3.75
Overall experience	3.69	95 *	4.11	3.52	3.70	3.70	3.57	3.97	3.53	3.59	3.50	3.72	3.68	3.92	3.64	5.00	3.62
Tee-time Availability	3.55	90 *	4.21	3.36	3.55	3.59	3.19	4.00	3.38	3.33	3.86	3.63	3.50	3.81	3.50	4.38	3.61
Amenities (clubhouse, pro shop, locker room)	3.45	96 *	3.89	3.29	3.43	3.52	2.88	3.71	3.25	3.31	2.83	3.51	3.46	3.73	3.40	4.44	3.38
Pace of Play	3.38	95 *	3.47	3.20	3.48	3.39	3.40	3.71	3.20	3.39	3.86	3.33	3.37	3.52	3.35	4.63	3.26
On-course Services (restrooms, drinking water)	3.15	93 *	3.58	2.92	3.14	3.10	3.63	3.63	2.88	3.09	3.14	3.18	3.14	3.67	3.04	4.31	3.05
Overall Course Conditions (tees, fairways)	3.14	86 *	3.56	3.18	3.07	3.14	3.12	3.34	2.94	3.19	3.57	3.45	3.02	3.62	3.05	4.31	3.06
Condition of Greens	2.77	76 *	3.22	3.02	2.53	2.75	2.81	3.11	2.62	2.75	3.43	3.29	2.56	3.31	2.66	4.19	2.70

<sup>1</sup> Index score compares your customer satisfaction to averages for national courses, price level (28 courses, 4286 responses) for the same date range and player type. "Red" numbers indicate below average satisfaction while those in "green" indicate above average satisfaction. Average = 100.

<sup>2</sup> "New" golfers are those who played your course for the first time within the past 2 years, while "Existing" golfers are those who played your course for the first time more than 2 years ago.

# DRAFT

<b>Business Drivers</b>	<b>Very Dissatisfied</b>	<b>Somewhat Dissatisfied</b>	<b>Neither Satisfied nor Dissatisfied</b>	<b>Somewhat Satisfied</b>	<b>Very Satisfied</b>
Convenience of Course Location	0	4	15	49	97
Friendliness/Service of Staff	1	7	27	51	76
Scenery and Aesthetics of Course	2	6	33	70	51
Overall Value of Course	3	12	36	64	49
Food and Beverage Service	3	7	35	63	47
Condition of Golf Cars	1	2	40	53	53
Overall experience	3	13	36	86	21
Tee-time Availability	12	14	47	54	37
Amenities (clubhouse, pro shop, locker room)	5	17	61	55	22
Pace of Play	6	30	43	63	20
Overall Course Conditions (tees, fairways)	13	33	48	58	12
On-course Services (restrooms, drinking water)	11	30	59	50	13
Condition of Greens	33	35	44	39	12

**Survey**

# DRAFT

## APPENDIX F – FINANCIAL PROFORMA

Shennecossett Projected Revenues & Expenses							
	5 Yr Avg FY2000 to 2004	Projected FY 2005	Projected FY2006	Projected FY2007	Projected FY2008	Projected FY2009	Projected FY2010
<b>Daily Green Fee Rounds</b>							
18 Hole Weekends/Residents	1,400	1,470	1,544	1,605	1,661	1,711	1,754
18 Hole Weekends/Non Residents	2,625	2,756	2,894	3,010	3,115	3,209	3,289
18 Hole Weekdays/Residents	1,900	1,995	2,095	2,179	2,255	2,322	2,380
18 Hole Weekdays/Non Residents	4,600	4,830	5,072	5,274	5,459	5,623	5,763
Weekdays After 12	1,975	2,074	2,177	2,265	2,344	2,414	2,474
Weekends After 12	850	893	937	975	1,009	1,039	1,065
Weekends After 5	450	473	496	516	534	550	564
Winter	1,900	1,995	2,095	2,179	2,255	2,322	2,380
Youth Rounds	400	420	441	459	475	489	501
9 Hole League Play	2,350	2,468	2,591	2,695	2,789	2,872	2,944
Tournaments/18 Hole	1,050	1,103	1,158	1,204	1,246	1,283	1,316
<b>Sub Total Daily Fee Rounds</b>	<b>19,500</b>	<b>20,475</b>	<b>21,499</b>	<b>22,359</b>	<b>23,141</b>	<b>23,835</b>	<b>24,431</b>
<b>Sub Total Member Rounds</b>	<b>16,800</b>	<b>16,600</b>	<b>16,400</b>	<b>16,200</b>	<b>16,000</b>	<b>15,800</b>	<b>15,600</b>
<b>Total Rounds</b>	<b>36,300</b>	<b>37,075</b>	<b>37,899</b>	<b>38,559</b>	<b>39,141</b>	<b>39,635</b>	<b>40,031</b>
<b>Cart Rentals</b>							
18 Hole Carts Rentals	9,600	9,805	10,023	10,197	10,351	10,482	10,587
9 Hole Carts Rentals	450	460	470	478	485	491	496
Senior Citizen Cart Rentals	1,800	1,838	1,879	1,912	1,941	1,965	1,985
<b>Total</b>	<b>11,850</b>	<b>12,103</b>	<b>12,372</b>	<b>12,587</b>	<b>12,778</b>	<b>12,939</b>	<b>13,068</b>
<b>Daily Fees</b>							
	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
18 Hole Weekends/Residents	\$35.00	\$36.50	\$38.00	\$39.50	\$41.00	\$42.50	\$44.00
18 Hole Weekends/Non Residents	\$40.00	\$41.50	\$43.00	\$44.50	\$46.00	\$47.50	\$49.00
18 Hole Weekdays/Residents	\$30.00	\$31.00	\$32.00	\$33.00	\$34.00	\$35.00	\$36.00
18 Hole Weekdays/Non Residents	\$35.00	\$36.50	\$38.00	\$39.50	\$41.00	\$42.50	\$44.00
Weekdays After 12	\$25.00	\$26.00	\$27.00	\$28.00	\$29.00	\$30.00	\$31.00
Weekends After 12	\$30.00	\$31.00	\$32.00	\$33.00	\$34.00	\$35.00	\$36.00
Weekends After 5	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00
Winter (Dec.1- Mar.31 Res. & Non Res.)	\$20.00	\$21.00	\$22.00	\$23.00	\$24.00	\$25.00	\$26.00
Youth	\$17.00	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50	\$20.00
9 Hole League Play	\$17.00	\$17.50	\$18.00	\$18.50	\$19.00	\$19.50	\$20.00
Tournaments/18 Hole	\$33.00	\$34.00	\$35.00	\$36.00	\$37.00	\$38.50	\$40.00
<b>Cart Fees</b>							
18 Holes	\$15	\$15.50	\$16.00	\$16.50	\$17.00	\$17.50	\$18.00
9 Holes	\$12	\$12.50	\$13.00	\$13.50	\$14.00	\$14.50	\$15.00
Senior Cart	\$12	\$12.50	\$13.00	\$13.50	\$14.00	\$14.50	\$15.00
Tournament Carts	\$14	\$14.50	\$15.00	\$15.50	\$16.00	\$16.50	\$17.00

# DRAFT

Membership Sales by Calendar Year	5 Yr Average						
	FY1999 to 2003	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010
<b>Resident</b>							
Adult Regular	65	63	61	60	58	57	55
Adult Economy	14	14	13	13	13	12	12
Senior	53	51	50	49	48	47	45
Family/Full	15	14	14	14	13	13	13
Family/2 Person	3	3	2	2	2	2	2
Youth	14	14	13	13	13	13	12
<b>Sub Total Resident</b>	<b>163</b>	<b>159</b>	<b>155</b>	<b>151</b>	<b>147</b>	<b>144</b>	<b>140</b>
<b>Non-Resident</b>							
Adult Regular	57	55	54	53	51	50	49
Adult Economy	21	20	20	19	19	18	18
Senior	61	60	58	57	55	54	53
Family/Full	10	10	10	9	9	9	9
Family/2 Person	2	2	2	2	2	2	2
Youth	22	21	21	20	20	19	19
<b>Sub Total Non-Resident</b>	<b>173</b>	<b>168</b>	<b>164</b>	<b>160</b>	<b>156</b>	<b>152</b>	<b>148</b>
<b>Total Membership Sales</b>	<b>336</b>	<b>327</b>	<b>319</b>	<b>311</b>	<b>303</b>	<b>296</b>	<b>288</b>
<b>Annual Fees</b>							
<b>5 Yr Average</b>							
<b>Resident</b>	<b>FY1999 to 2003</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>
Adult Regular	\$1,170	\$1,170	\$1,229	\$1,290	\$1,354	\$1,422	\$1,493
Adult Economy	\$860	\$860	\$903	\$948	\$996	\$1,045	\$1,098
Senior	\$725	\$725	\$761	\$799	\$839	\$881	\$925
Family/Full	\$2,065	\$2,065	\$2,168	\$2,277	\$2,390	\$2,510	\$2,636
Family/2 Person	\$1,870	\$1,870	\$1,964	\$2,062	\$2,165	\$2,273	\$2,387
Youth	\$255	\$255	\$268	\$281	\$295	\$310	\$325
<b>Non-Resident</b>							
Adult Regular	\$1,355	\$1,404	\$1,474	\$1,548	\$1,625	\$1,707	\$1,792
Adult Economy	\$945	\$1,032	\$1,084	\$1,138	\$1,195	\$1,254	\$1,317
Senior	\$905	\$870	\$914	\$959	\$1,007	\$1,057	\$1,110
Family/Full	\$2,275	\$2,478	\$2,602	\$2,732	\$2,869	\$3,012	\$3,163
Family/2 Person	\$2,065	\$2,244	\$2,356	\$2,474	\$2,598	\$2,728	\$2,864
Youth	\$285	\$306	\$321	\$337	\$354	\$372	\$391



# DRAFT

<b>Green Fee Revenues</b>	<b>Avg. FY00-04</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>
18 Hole Weekends/Residents	\$49,000	\$53,655	\$58,653	\$63,407	\$68,118	\$72,729	\$77,178
18 Hole WE/Non Residents	\$105,000	\$114,384	\$124,445	\$133,937	\$143,298	\$152,410	\$161,153
18 Hole Weekdays/Residents	\$57,000	\$61,845	\$67,032	\$71,892	\$76,663	\$81,285	\$85,698
18 Hole WD/Non Residents	\$161,000	\$176,295	\$192,717	\$208,337	\$223,817	\$238,966	\$253,585
Weekdays After 12	\$49,375	\$53,918	\$58,791	\$63,407	\$67,970	\$72,423	\$76,708
Weekends After 12	\$25,500	\$27,668	\$29,988	\$32,162	\$34,297	\$36,364	\$38,338
Weekends After 5	\$9,000	\$9,923	\$10,915	\$11,867	\$12,817	\$13,751	\$14,659
Winter	\$38,000	\$41,895	\$46,085	\$50,106	\$54,115	\$58,061	\$61,893
Youth Rounds	\$6,800	\$7,350	\$7,938	\$8,485	\$9,019	\$9,534	\$10,023
9 Hole League Play	\$39,950	\$43,181	\$46,636	\$49,848	\$52,988	\$56,013	\$58,886
Tournaments/18 Hole	\$34,650	\$37,485	\$40,517	\$43,341	\$46,104	\$49,413	\$52,621
<b>Total Green Fee Revenue</b>	<b>\$575,275</b>	<b>\$627,598</b>	<b>\$683,715</b>	<b>\$736,791</b>	<b>\$789,206</b>	<b>\$840,950</b>	<b>\$890,743</b>
<b>Membership Revenue by Calendar Year</b>	<b>Avg. FY 99-03</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>
<b>Resident</b>							
Adult Regular	\$75,582	\$73,692	\$75,443	\$77,234	\$79,069	\$80,947	\$82,869
Adult Economy	\$12,040	\$11,739	\$12,018	\$12,303	\$12,595	\$12,895	\$13,201
Senior	\$38,280	\$37,323	\$38,209	\$39,117	\$40,046	\$40,997	\$41,971
Family/Full	\$30,562	\$29,798	\$30,506	\$31,230	\$31,972	\$32,731	\$33,509
Family/2 Person	\$4,862	\$4,740	\$4,853	\$4,968	\$5,086	\$5,207	\$5,331
Youth	\$3,621	\$3,530	\$3,614	\$3,700	\$3,788	\$3,878	\$3,970
<b>Sub Total Resident</b>	<b>\$164,947</b>	<b>\$160,823</b>	<b>\$164,643</b>	<b>\$168,553</b>	<b>\$172,556</b>	<b>\$176,654</b>	<b>\$180,850</b>
<b>Non-Resident</b>							
Adult Regular	\$76,964	\$77,754	\$79,600	\$81,491	\$83,426	\$85,407	\$87,436
Adult Economy	\$19,656	\$20,929	\$21,426	\$21,935	\$22,456	\$22,989	\$23,535
Senior	\$55,386	\$51,913	\$53,146	\$54,408	\$55,700	\$57,023	\$58,377
Family/Full	\$23,205	\$24,644	\$25,229	\$25,828	\$26,442	\$27,070	\$27,712
Family/2 Person	\$3,717	\$3,938	\$4,032	\$4,128	\$4,226	\$4,326	\$4,429
Youth	\$6,213	\$6,504	\$6,659	\$6,817	\$6,979	\$7,144	\$7,314
<b>Sub Total Non-Resident</b>	<b>\$185,141</b>	<b>\$185,681</b>	<b>\$190,091</b>	<b>\$194,606</b>	<b>\$199,228</b>	<b>\$203,959</b>	<b>\$208,804</b>
<b>Total Membership Revenue</b>	<b>\$350,088</b>	<b>\$346,505</b>	<b>\$354,734</b>	<b>\$363,159</b>	<b>\$371,784</b>	<b>\$380,614</b>	<b>\$389,654</b>
<b>Cart Revenue</b>							
18 Hole Carts	\$144,000	\$151,977	\$160,365	\$168,256	\$175,974	\$183,437	\$190,563
9 Hole Carts	\$5,400	\$5,745	\$6,108	\$6,453	\$6,793	\$7,125	\$7,444
Senior Citizen Carts	\$21,600	\$22,980	\$24,431	\$25,812	\$27,172	\$28,498	\$29,775
<b>Total Cart Revenue</b>	<b>\$171,000</b>	<b>\$180,702</b>	<b>\$190,903</b>	<b>\$200,521</b>	<b>\$209,939</b>	<b>\$219,060</b>	<b>\$227,782</b>
<b>Other Revenues</b>							
Misc-Unclassified	\$22,594	\$23,884	\$25,269	\$26,609	\$27,956	\$22,594	\$22,594
Payments from Other Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Other Revenues</b>	<b>\$22,594</b>	<b>\$23,884</b>	<b>\$25,269</b>	<b>\$26,609</b>	<b>\$27,956</b>	<b>\$22,594</b>	<b>\$22,594</b>
<b>GROSS REVENUE</b>	<b>\$1,118,957</b>	<b>\$1,178,689</b>	<b>\$1,254,622</b>	<b>\$1,327,080</b>	<b>\$1,398,886</b>	<b>\$1,463,218</b>	<b>\$1,530,772</b>

# DRAFT

Operating Expenses							
	FY2000 to 2004 Avg.	Adopted Budget	FY2006	FY2007	FY2008	FY2009	FY2010
<b>Personnel Services</b>							
5101 Regular Full-Time	\$334,846	\$372,806	\$387,718	\$403,227	\$419,356	\$436,130	\$453,576
5102 Part Time Personnel	\$16,038	\$18,100	\$20,815	\$23,937	\$27,528	\$31,657	\$36,406
5103 Seasonal Personnel	\$48,188	\$56,740	\$65,251	\$75,039	\$86,294	\$99,239	\$114,124
5104 Overtime Pay	\$30,171	\$35,900	\$38,054	\$40,337	\$42,757	\$45,323	\$48,042
5105 Longevity Pay	\$2,393	\$2,655	\$2,814	\$2,983	\$3,162	\$3,352	\$3,553
5109 Salary Adjustments	\$2,145	\$0	\$0	\$0	\$0	\$0	\$0
5111 Premium Pay	\$2,496	\$7,500	\$7,950	\$8,427	\$8,933	\$9,469	\$10,037
5116 Wage Continuation	\$11,914	\$0	\$0	\$0	\$0	\$0	\$0
5117 Allowances (Clothing & Shoes)	\$1,338	\$1,960	\$2,078	\$2,202	\$2,334	\$2,474	\$2,623
5151 Social Security	\$27,461	\$37,918	\$40,193	\$42,605	\$45,161	\$47,871	\$50,743
5152 Retirement	\$6,721	\$9,469	\$10,037	\$10,639	\$11,278	\$11,954	\$12,672
5153 Health Insurance	\$63,041	\$88,311	\$93,610	\$99,226	\$105,180	\$111,491	\$118,180
5154 Unemployment Compensation	\$4,575	\$0	\$0	\$0	\$0	\$0	\$0
5155 Worker's Comp.	\$3,153	\$2,639	\$2,797	\$2,965	\$3,143	\$3,332	\$3,532
5158 Life Insurance	\$719	\$856	\$907	\$962	\$1,020	\$1,081	\$1,146
<b>Sub Total Salaries &amp; Wages</b>	<b>\$449,529</b>	<b>\$495,661</b>	<b>\$524,680</b>	<b>\$556,153</b>	<b>\$590,365</b>	<b>\$627,644</b>	<b>\$668,360</b>
<b>Sub Total Benefits</b>	<b>\$105,670</b>	<b>\$139,193</b>	<b>\$147,545</b>	<b>\$156,397</b>	<b>\$165,781</b>	<b>\$175,728</b>	<b>\$186,272</b>
<b>Total Personnel Services</b>	<b>\$555,199</b>	<b>\$634,854</b>	<b>\$672,225</b>	<b>\$712,550</b>	<b>\$756,146</b>	<b>\$803,372</b>	<b>\$854,632</b>
<b>Operating Expenses</b>							
5201 Postage/ Print/Adv.	\$4,753	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849	\$6,083
5210 Professional Development & Training	\$4,818	\$6,000	\$6,240	\$6,490	\$6,749	\$7,019	\$7,300
5220 Utilities/Fuel/ Mileage	\$65,035	\$88,900	\$92,456	\$96,154	\$100,000	\$104,000	\$108,160
5230 Payments/ Contributions	\$98,394	\$110,398	\$114,814	\$119,406	\$124,183	\$129,150	\$134,316
5260 Repair & Maint. Facility	\$2,548	\$11,100	\$11,544	\$12,006	\$12,486	\$12,985	\$13,505
5270 Facility R&M	\$10,304	\$0	\$0	\$0	\$0	\$0	\$0
5280 Insurance/Risk Management	\$24,388	\$19,534	\$20,315	\$21,128	\$21,973	\$22,852	\$23,766
5281 Occupational Health & Safety	\$1,363	\$3,200	\$3,328	\$3,461	\$3,600	\$3,744	\$3,893
5290 Professional/ Technical Services	\$90,604	\$69,500	\$72,280	\$75,171	\$78,178	\$81,305	\$84,557
5300 Materials + Suppl.	\$53,469	\$45,000	\$55,000	\$57,200	\$59,488	\$61,868	\$64,342
5310 Vehicle Operation/ Maintenance	\$12,612	\$10,000	\$10,400	\$10,816	\$11,249	\$11,699	\$12,167
5315 Vehicle Replacement Fee	\$69,192	\$79,051	\$82,213	\$85,502	\$88,922	\$92,478	\$96,178
5316 Vehicle Maint. Fee	\$1,250	\$750	\$780	\$811	\$844	\$877	\$912
5318 Computer Replace	\$887	\$744	\$774	\$805	\$837	\$870	\$905
5320 General Supplies	\$2,450		\$2,500	\$2,600	\$2,704	\$2,812	\$2,925
5400 Equipment & Furniture	\$7,808	\$0	\$0	\$0	\$0	\$0	\$0
5410 Computer/ Machine/ Equipment	\$834						
5450 Debt Service	\$41,375	\$16,311	\$85,447	\$83,826	\$82,204	\$80,583	\$78,000
5499 Contingency	\$5,200	\$0	\$5,000	\$5,200	\$5,408	\$5,624	\$5,849
<b>Total Operating Expense</b>	<b>\$497,283</b>	<b>\$465,488</b>	<b>\$568,291</b>	<b>\$585,984</b>	<b>\$604,448</b>	<b>\$623,717</b>	<b>\$642,859</b>
<b>Grand Total</b>	<b>\$1,052,482</b>	<b>\$1,100,342</b>	<b>\$1,240,516</b>	<b>\$1,298,534</b>	<b>\$1,360,594</b>	<b>\$1,427,089</b>	<b>\$1,497,491</b>

# DRAFT

<b>Proforma Summary</b>	<b>5 Yr Average</b>	<b>FY2005</b>	<b>FY2006</b>	<b>FY2007</b>	<b>FY2008</b>	<b>FY2009</b>	<b>FY2010</b>
Gross Revenue	\$1,118,957	\$1,178,689	\$1,254,622	\$1,327,080	\$1,398,886	\$1,463,218	\$1,530,772
Total Personnel & Operating Expenses	\$1,052,482	\$1,100,342	\$1,240,516	\$1,298,534	\$1,360,594	\$1,427,089	\$1,497,491
Net Income	\$66,475	\$78,347	\$14,106	\$28,547	\$38,292	\$36,129	\$33,281
Total Rounds	36,300	37,075	37,899	38,559	39,141	39,635	40,031
Average Gross Revenue Per Round	\$30.83	\$31.79	\$33.10	\$34.42	\$35.74	\$36.92	\$38.24
Average Operating Expense Per Round	\$28.99	\$29.68	\$32.73	\$33.68	\$34.76	\$36.01	\$37.41
Average Net Income Per Round	\$1.83	\$2.11	\$0.37	\$0.74	\$0.98	\$0.91	\$0.83